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Community Partners Meeting

To Discuss the San Francisco Housing Authority Proposed FY 2005 Annual Plan Changes

1:00 P.M.

Thursday, May 6, 2004

440 Turk Street (Commission Room)

San Francisco, CA

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Agenda

1. Welcome and Introductions

2. Presentation of the Proposed Admissions and Continued Occupancy Policy --- Nannette Sparks, SFHA

3. Presentation of the Proposed Section 8 Administrative Plan --- Tony Ucciferri, SFHA

4. Question & Answer Period

5. Next Meeting: 1:00 P.M. Thursday, May 20, @ West Bay Conference Center (Fillmore and Eddy Streets): Public Hearing and Distribution of SFHA's Draft Plan

6. Adjournment

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SAN FRANCISCO HOUSING AUTHORITY

440 Turk Street • San Francisco CA • 94102 • (415) 554-1200

NOTICE

THE REGULARLY SCHEDULED MEETING OF THE
SAN FRANCISCO HOUSING AUTHORITY COMMISSION
WILL BE HELD ON THURSDAY, MAY 13, 2004 AT 4:00 P.M.
AT 440 TURK STREET, SAN FRANCISCO, CALIFORNIA, 94102

A G E N D A
May 13, 2004

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1. ROLL CALL

   Julie Lee, President
   George R. Brown, Vice President
   Sululagi Palega, Sr., Commissioner
   Betty J. Smith, Commissioner
   Neola Gans, Commissioner
   Rev. George Woodruff, Commissioner

2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES

   - April 22, 2004 Commission Meeting
   - April 27, 2004 Special Commission Meeting

4. GENERAL COMMUNICATIONS

5. REPORT OF SECRETARY

6. COMMITTEE REPORTS

   Diversity Committee – Nothing to Report
   Finance Committee – Report of April 28, 2004 Meeting
   Personnel Committee – Nothing to Report

7. REPORT OF AGENCY COUNSEL

8. TENANT REPRESENTATIVE REPORT:

City Wide Council - Senior/Disabled
Public Housing Tenants Association (PHTA)

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

10. UNFINISHED BUSINESS - NONE

11. NEW BUSINESS

(A) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH CBIZ ACCOUNTING, TAX AND ADVISORY OF ORANGE COUNTY, INC. TO PROVIDE ASSISTANCE IN THE RECONSTRUCTION OF THE FIXED ASSET ACCOUNTS TO ADDRESS THE AUDIT QUALIFICATION

(B) RESOLUTION APPROVING A LETTER OF AGREEMENT WITH THE SHERIFF'S DEPARTMENT FOR THE CITY AND COUNTY OF SAN FRANCISCO TO OBTAIN CRIMINAL HISTORY INFORMATION OF PROSPECTIVE RESIDENTS AND EMPLOYEES

12. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

13. COMMISSIONER'S COMMENT AND REPORT

14. ADJOURNMENT

GREGG FORTNER, Secretary/Executive Director

A

SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO, CALIFORNIA 94102 • (415) 554-1200

DATE: May 13, 2004

TO: San Francisco Housing Authority Commissioners

Julie Lee, President
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH CBIZ ACCOUNTING, TAX & ADVISORY OF ORANGE COUNTY, INC. TO PROVIDE ASSISTANCE IN THE RECONSTRUCTION OF THE FIXED ASSET ACCOUNTS TO ADDRESS THE AUDIT QUALIFICATION**

OVERVIEW

This Resolution authorizes the Executive Director to enter into an agreement with CBIZ Accounting, Tax & Advisory of Orange County, Inc., a consulting firm based in Irvine, California, to reconstruct and document the fixed asset accounts of the San Francisco Housing Authority (SFHA) in order to address the audit qualification of insufficient records and inadequate control of our land, structures and equipment accounts.

The Authority was directed by the Commission to resolve this issue before September 30, 2004.

For a number of years, the Independent Public Accountant (IPA) of the San Francisco Housing Authority had been reporting an audit finding based on the Authority's lack of records and control of its fixed asset accounts. The historical costs of the Authority's public housing developments and properties which include land acquisition costs and site improvements, dwelling and non-dwelling structures and nonexpendable equipment cannot be traced to auditable records and supporting documents. The Authority has not established sufficient records that will support the recorded balances/values of its land, structures and equipment accounts to the satisfaction of its independent auditors and the U. S. Department of Housing and Urban Development (HUD). Due to the nature of the account and the periods of time that have passed, the Authority is unable to locate the supporting documents to establish the historical costs of its fixed asset accounts. This situation is common to most government entities and particularly to public housing authorities. Because HUD has provided guidelines in its PHA GAAP Flyer on "Accounting for Fixed Assets" that addressed the use of estimated costs when

historical costs are not available, the SFHA has determined that engaging the services of an independent consultant who is most capable and experienced in determining the appropriate estimated values for our land, structures and equipment will allow the independent auditor to remove the qualification in our financial statements.

PROCUREMENT PROCESS

A Request for Proposals (RFP) to reconstruct the fixed asset accounts was mailed directly to sixteen (16) accounting and auditing firms listed in our database on January 23, 2004, with an indicated closing date of February 20, 2004. The RFP package was, likewise, made available on the websites of the SFHA and the City and County of San Francisco.

A total of three (3) firms submitted written proposals by the February 20, 2004, closing date. These firms, in alphabetical order, were:

- Casterline and Associates
- CBIZ Accounting, Tax & Advisory of Orange County, Inc. (CBIZ)
- HJ Financial Groups

An Evaluation Panel of four qualified SFHA Finance and Procurement staff members who were directly involved in earlier attempts to initiate and reconstruct the fixed asset accounts was formed to select the best firm based on the firms' expertise and ability to perform the services. The four members of the Evaluation Panel were:

- Herbert Lum, Acting Deputy Department Administrator, Chairperson
- Virgilio Chua, Accounting Manager
- William Hong, Management Analyst
- Julieta Palileo, Budget Analyst II

The Evaluation Panel conducted a technical qualification review of the written proposal submitted by each firm. The three (3) firms were scored and ranked based on their respective aggregate scores and were all invited to respond to a set of predetermined questions and to give an oral presentation to clarify any issues raised by the panel. The firm of CBIZ was the only responding firm to travel to the SFHA to respond to the questions and provide their presentation to the panel in person. The firms of Casterline and Associates and HJ Financial Groups responded to the questions through the convenience of conference calls. Each firm's technical and presentation scores were added together to arrive at a "combined" score. The Evaluation Panel used the following criteria for scoring the responsive bidders:

• Firm's background, qualifications and demonstrated ability to provide the service	30%
• Firm's ability, capacity and flexibility in qualified staff and other resources	30%
• Length and depth of experience and knowledge with HUD guidelines, GAAP, and GASB statements	30%
• MBE/WBE participation and resident employment	10%
TOTAL =	100%

The final scores and ranking of the three responding firms are as follows:

Consulting Firm	Score
1. CBIZ Accounting, Tax & Advisory of Orange County, Inc.	554
2. Casterline and Associates	508
3. HJ Financial Groups	459

Reference Checks

As part of the selection process, the Evaluation Panel conducted reference checks of the two highest scoring responding firms of each respective firm's expertise and performance of previously completed and similar projects. The firm of Casterline and Associates could not provide any references for the scope of services and resolution of similar audit findings described in the Authority's RFP.

CBIZ Accounting, Tax and Advisory of Orange County, Inc., was able to provide a number of government agency references substantiating its performance and expertise in resolving fixed asset reconstruction issues to the satisfaction of independent auditors. Based on the presentation of its *Project Approach* and *Detailed Work Plan (see attached)*, a verifiable track record in resolving and reconstructing fixed asset accounts issues for other public agencies, and successful elimination of similar audit qualification, the firm of CBIZ Accounting, Tax and Advisory of Orange County, Inc., attained the highest score of the responding firms.

Procurement Process

The procurement process for actions covered by this Resolution meet the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460 8 Rev. 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the SFHA Procurement Policy Manual, and the State of California and local laws.

ANTICIPATED OUTCOME

The consulting firm will work with our independent auditor at the beginning of the project to ensure that the procedures, methodology and objective of the project meet the standards specified by the auditor before the work starts. The primary objective is to ensure that the scope of work performed by the consulting firm will result in the removal of the qualification in the SFHA's financial statements. The consulting firm will physically inspect the land, buildings and structures owned by SFHA, review available records, and perform a sampling physical inventory of equipment and determine an acceptable alternative valuation by using current replacement values of the equipment, land, and buildings.

Based on the independent verification and valuation reported by the consulting firm, SFHA will use the report as the source document to adjust the financial records of the Authority. The valuation provided by the consulting firm will become the starting point of substantiating the recorded values of the Authority's land, structure and equipment accounts for inclusion in the financial statements for the fiscal year ending September 30, 2004.

WHO BENEFITS

The SFHA will benefit from the independent reconstruction of its fixed asset accounts. The San Francisco Housing Authority will eliminate the audit finding, remove the qualification in the audit report and improve the Authority's Financial Indicator in its Public Housing Assessment System (PHAS) score. The SFHA will address the audit finding that has been outstanding for a number of years.

BUDGET CONSIDERATIONS

Funds to cover the cost of the reconstruction of the fixed asset accounts are available in the Authority's Capital Fund and Section 8 Programs.

RESIDENT EMPLOYMENT

The firm of CBIZ and its subcontractor, Mah & Associates, LLP, are committed to actively recruit, hire and train qualified residents from a pool of available SFHA public housing and Section 8 tenants who possess the necessary skills and experience to assist them in locating and counting the equipment in the various projects and offices.

MBE/WBE STATUS

The firm of CBIZ will be subcontracting a portion of the physical inspection work to Mah & Associates, LLP, a certified Local Business Enterprise/Minority Business Enterprise located in San Francisco. Both firms maintain affirmative action opportunities in their hiring and promotional practices.

RECOMMENDATION

The RFP that was published and released by the SFHA requires specialized and technical audit and accounting expertise. Approximately two years ago, when the Finance Department started inquiring into the costs and methodologies to eliminate the fixed asset audit qualification, experts in the field indicated that the process would require an asset valuation consulting firm to physically inspect and appraise all properties and equipment owned and/or controlled by the SFHA and cost about $500,000 to $700,000. Since then, a few relatively specialized accounting and/or consulting firms have initiated work in this field. Casterline and Associates specialize in accounting and audit services to public housing authorities, including GASB 34 conversions. However, the primary component of the SFHA RFP, in order to control the project's total costs, requires the successful consulting firm to be able to model the Authority's fixed assets and based on the assumptions of that model, accurately assess the balances and valuations of all SFHA properties and equipments to the point of successfully eliminating the audit qualification. The SFHA does not have the staff and/or expertise to oversee the methodology, work plan, and progress of a consulting firm "learning the ropes" in this specialized audit and accounting field. Therefore, I recommend that the attached resolution be approved, authorizing the execution of an agreement with the consulting firm of CBIZ Accounting, Tax & Advisory of Orange County, Inc. to reconstruct the fixed asset accounts in order to resolve the outstanding audit qualification.

Scope of Services

We understand that the San Francisco Housing Authority (SFHA) is requesting assistance in creating an acceptable fixed asset inventory as well as establishing a methodology for valuation that will comply with Generally Accepted Accounting Principles as well as HUD guidelines for Accounting for Fixed Assets.

In order to accomplish this objective, we will develop a valuation methodology and including sampling to verify the existence of the assets. Our completed plan will provide for:

- Alternative valuation and inventory methodology procedures in lieu of historical costs records that meets GAAP and HUD guidelines with respect to accounting for fixed assets.

- A reasonable sampling methodology including but not limited to Land, Structures and Equipment to verify the existence and conditions of the Land Structures and Equipment to form a reasonable basis in determining an acceptable value of these fixed assets.

- Work with the SFHA's auditors to ensure the result of the work performed results in the removal of the qualification from the SFHA's financial statements.

- We will work with the SFHA's independent auditor at the beginning of the project to ensure that our procedures, objectives and methodologies are approved by the auditor before work begins.

- We will develop depreciation schedules for all the Authorities assets under the scope of this project.

- We will provide comments and recommendations on how the Authority can improve its policies, procedures and internal controls so that the fixed asset inventory remains up to date and acceptable to the Authorities auditors.

- We shall provide the final report and all inventory documentation in hard copy and electronic format to the Authority prior to June 30, 2004.

Project Approach

Based upon the requirements and the objectives of this RFP, and the Authority's indication that some of the fixed asset records are not adequate, we would recommend that the assets be captured through a combination of physical inspection and sampling. Although this might be a little more time consuming on the front end, we believe that for future record updates, it will provide the Authority with the best and most complete data. Furthermore, since the Authority is receiving a qualified opinion in it Comprehensive Annual Financial Report (CAFR) related to capital asset records, the physical inspection, valuation and sampling techniques proposed will provide the evidentiary data necessary to remove this qualification.

In order to value the general assets, we would first use historical cost per the Authority's existing fixed asset records. To the extent historical cost is not available, we would estimate historical cost by identifying current replacement cost and trending it back to the date of acquisition. This is an acceptable valuation method in accordance with generally accepted accounting principles.

We would propose a multi-level approach to this project. Based on the requirements of the RFP and the records that were made available for this proposal, we would recommend that a complete inventory be performed on all land and structures. Based on our review and the Authority website, the Authority has a relatively good listing of land that it owns. We would compare this listing to records at the Assessor's office, physical inspection and inspection of records made available to us by the Authority.

As the Authority owns 53 developments, we would propose that these buildings be physically inspected and basic construction components analyzed (foundation, framing, roofing, etc.) to develop sufficient information for applicable reporting purposes. We will photograph each building and identify select insurance underwriting data to include ISO construction classification, square footage, alarm systems and types of occupancy.

As identified in the RFP, there is a significant number of apartment buildings located within the 53 developments. For these assets we would propose identification of the number of units within the building and the standard equipment for each unit. We would then identify by property address the number of fixed assets within each unit along with an average age and cost.

Vehicles would be valued based on the inventory prepared as of January 31, 2004. As the Authority has confidence that this report is complete and accurate, no physical inventory of vehicles would be performed.

Using the inventory completed as of January 31, 2003, furniture and office equipment meeting the $500 capitalization threshold would be valued only. As stated in Addendum number 1, if the

Authority has assets with known locations that are not tagged, we will provide a physical inventory of those items.

Detailed Work Plan

- Project kick-off - we would meet with appropriate Authority staff to discuss the timing of the project, records required, and coordination with other departments and facilities. We will coordinate a schedule to complete the project within the specified time frames. We will also meet with the Authority's external auditors to obtain approval of the methodology prior to the commencement of fieldwork.

- Fieldwork - Land, Development costs and Leasehold Improvements -during this phase we would schedule times with all facilities to meet and physically inspect land, buildings and structures owned by the SFHA. This inspection will include a review of available records on costs as well as research on properties in which no records are available. Our review will include available records, a review of records at the County of San Francisco Assessor's office and physical inspection of the locations

- Fieldwork - Vehicles, Furniture and Other Equipment - Based on Addendum #1, a complete and accurate inventory of vehicles, furniture and other equipment was completed as of January 31, 2004. Based upon the Authority's assertion, a physical inventory will not be performed. However, if the SFHA determines that there are assets without tags, we will perform a physical inventory of those items so that a tag can be affixed. uring this stage, we would schedule times with all departments and facilities in which we would perform our physical inspection. During this phase we will inspect a sample of each unit to verify the existence of assets once the capitalization threshold has been established. A liaison would be identified to assist our staff in locating assets, if necessary. The following information, if available, would be included for each asset.

    - Asset description
    - Serial number
    - Asset location
    - Date of acquisition
    - Useful life
    - Accumulated depreciation to date
    - Classification (land, land improvements, buildings, improvements other than buildings, machinery and equipment and rolling stock)
    - Parcel number, if applicable
    - Quantity

- Asset number/tag number
- Manufacturer
- Model
- Original cost (actual or estimated)

- Reconciliation of records -For vehicles, furniture and other equipment, since the Authority has a complete and accurate inventory as of January 31, 2004, no reconciliation will be required. We understand the Authority will adjust their books to agree with the results of the physical inventory and valuation. For land, development costs and leasehold improvements we understand that the Authority will adjust their records to agree with the results of the inventory.

- Determination of cost - during this task, we will determine estimated historical cost by calculating the current replacement value of the asset, and trending it back to the date of acquisition or donation through the use of indexes. We utilize the Consumer Price Index for all purchased assets and the Construction Cost Index for all constructed assets. Land values will be determined by using current market values and trending back acquisition date using the changes in assessed valuations for the City of San Francisco.

- Status reports - we recommend communicating to the Authority on a weekly basis as to the status of this phase of the project. The format of this communication may take the form of a formal report, meeting, telephone conversation or email. This will give both the Authority, and department staff an opportunity to review the work in progress and provide input as necessary. From our experience, we would need access to each department and staff assistance into areas that may be restricted in order to ensure all assets are counted. The amount of staff time will be determined by the number of assets in any given department and if we are given access to facilities without Authority staff.

- Quality control - In order to ensure that we are providing the Authority with the information requested by this RFP, our staff will communicate daily with our Project Manager. This constant, ongoing communication will ensure that the project stays on time and on budget.

- Preparation of draft report - a draft report would be prepared and submitted to Authority staff and the external auditors for their review and comment.

- Preparation of final report - any comments received from Authority staff and the external auditors on the draft report will be incorporated into the final report. The final report will be delivered in both hard copy and electronic (Excel) format.

MBE/WBE

CBIZ will be subcontracting a portion of the physical inspection work to Mah & Associates, L.L.P. Mah & Associates was formed in 1976. Since that time the firm has provided services to many publicly-traded, closely-held businesses and high net worth individuals in industries such as manufacturing, wholesaling, retailing, import/export, real estate construction, real estate development, not-for-profit organizations, service industries such as architectural, engineering firms and law firms, and start-up businesses in e-commerce.

Mah & Associates, L.L.P. certification number for Local Business Enterprise/Minority Business Enterprise is HRC0250523978.

Mah & Associates has over 28 years of experience in providing quality financial services to its clients. It is local San Francisco based business located at One Embarcadero Center #711, San Francisco, CA 94111.

We anticipate that Mah & Associates will provide 20% of the labor for this project which is consistent with Executive Orders 11625, 12138 and 12432, and section 3 of the Housing and Urban Development Act of 1968. It is also in compliance with SFHA Commission Resolution 2444, adopted February 25, 1982.

CONFIDENTIAL INFORMATION

Consulting Firm	Met Responsible Criteria	Written Proposal Score	Interview Score	Total Score	Bid Amount	(Excess)/ Below Budget	Recommended Consulting Firm
CBIZ Accounting, Tax & Advisory of Orange County, Inc.	Yes	271	283	554	$ 98,800	$ (48,800)	CBIZ Accounting, Tax & Advisory of Orange County, Inc.
Casterline and Associates	Yes	251	257	508	$ 70,000	$ (20,000)	
HJ Financial Groups	Yes	227	232	459	$ 23,000	$ 27,000	

Overview

The evaluation panel scored CBIZ Accounting, Tax & Advisory of Orange County Inc. (CBIZ) a total of 554 points. This score is 46 points higher than the second consulting firm, Casterline and Associates. The firm of CBIZ demonstrated, both in their written proposal and verbal presentation, a logical plan of establishing the fixed asset records of the Authority. They presented a detailed work plan of conducting an inventory of our land, structures and equipment, providing estimated costs based on their database and third party records, and preparing a schedule of fixed assets with accumulated depreciation. **The most important criteria in choosing CBIZ was their previous successful projects of removing audit qualification of city agencies with fixed assets problems.** Almost all of the referenced cases presented to us were clients with audit qualification on fixed assets and subsequent elimination of such qualification. The other two (2) bidders **did not** provide references of similar projects.

The panel made the necessary reference checks and confirmed the validity of previous engagements of the fixed assets reconstruction and removal of audit qualification. The clients stated their projects had more complex fixed assets valuation (mostly cities) compared to the Authority.

The next firm, Casterline and Associates, has good knowledge of public housing accounting. They provide seminars and training publications to public housing agencies' (PHA) accounting staff. Nevertheless, they did not convince the panel that they could value our fixed assets based on estimated costs and trending them to acquisition dates. Jason Casterline, partner of the firm, even suggested writing-off assets that cannot be supported by accounting records.

The third firm, HJ Financial Group, is a consultant to public housing agencies also. Their written proposal did not indicate a credible plan of addressing our specific requirements other than providing previous engagements of public housing seminars and unrelated projects. Their bid of $27,000 indicated their lack of previous experience in a fixed assets reconstruction job. Also, the panel felt that the amount quoted would not result in a successful completion within the timeframes as specified.

Recommendation

The objective of our fixed asset reconstruction is to convince our auditors to remove the audit qualification. **The key issue is establishing the physical existence of all of our land, structures and equipment and costing them based on acceptable alternative valuation other than historical costs.** Our auditors agreed to a methodology whereby the recorded values of the fixed assets will be disregarded and replaced with a valuation provided by an **independent** consultant. The evaluation panel decided that the consulting firm of CBIZ has the expertise, technical qualifications, valid database, and tracked records of giving values to fixed assets other than historical costs. The evaluation panel, therefore, recommends the awarding of this contract to **CBIZ Accounting, Tax & Advisory of Orange County, Inc.**

RESOLUTION NO: 5151
ADOPTED: 5/13/04

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH CBIZ ACCOUNTING, TAX AND ADVISORY OF ORANGE COUNTY, INC. TO PROVIDE ASSISTANCE IN THE RECONSTRUCTION OF THE FIXED ASSET ACCOUNTS TO ADDRESS THE AUDIT QUALIFICATION NOT TO EXCEED $99,000.00 [AS AMENDED]

WHEREAS, the Authority has an audit finding pertaining to its recorded balances in its land, structures and equipment account; and

WHEREAS, said audit finding results in a qualification in the audit reports of the Independent Public Accountant and has affected the Authority's ability to improve its score in the Financial Indicator of the Public Housing Assessment System (PHAS); and

WHEREAS, the consulting firm of CBIZ Accounting, Tax and Advisory of Orange County, Inc. responded to the Authority's Request for Proposals (RFP) and was selected as the best and most qualified bidder; and

WHEREAS, the consulting firm of CBIZ Accounting, Tax and Advisory of Orange County, Inc. matched the Authority's specific requirements to count and cost the land, structure, and equipment accounts of the Authority; and

WHEREAS, the procurement process for those actions covered by this Resolution meet the procurement standards of 24 CFR 85.36 *Procurement*, HUD Handbook 7460.8 REV 1, *Procurement Handbook for Public Housing Agencies and Indian Housing Authorities*, the San Francisco Housing Authority's Procurement Policy Manual, and the State of California and local laws; and

WHEREAS, funds to cover the cost of the reconstruction of the fixed asset accounts are available in the Authority's Capital Fund and Section 8 Programs.

NOW THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is authorized to enter into an agreement with the consulting firm of CBIZ Accounting, Tax and Advisory of Orange County, Inc. to assist in the reconstruction of the fixed asset accounts to remove the audit qualification in the Authority's financial statements.
2. This Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

Donna Martin

Donna Martin, General Counsel

Date: 5-6-04

REVIEWED BY:

Gregg Fortner

Gregg Fortner, Executive Director

Date: 5/7/04

B

SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO, CA 94102 • PHONE (415) 554-1260 • FAX (415) 554-1268

Memorandum

DATE: May 13, 2004

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSION

Julie Lee, President
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Neola J. Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: Gregg Fortner, Executive Director

SUBJECT: **RESOLUTION APPROVING A LETTER OF AGREEMENT WITH THE SHERIFF'S DEPARTMENT TO PROVIDE CRIMINAL HISTORY INFORMATION**

OVERVIEW

The San Francisco Housing Authority has had an agreement with the San Francisco Sheriff's Department since December 2002 to provide criminal history information on prospective residents of Public and Section 8 housing. Prior to that time, the Sheriff's Department had been providing criminal history information on prospective new employees for over three years. They have now agreed to continue to provide criminal history information on all prospective residents of public and Section 8 housing over the age of 18. The information they provide will be obtained from the California Law Enforcement Telecommunications System (CLETS) which provides statewide criminal history, some national information as well as information on registered sex offenders, arsonists and drug offenders.

The requirement to obtain criminal history on prospective public housing and Section 8 residents is found in Federal Regulations, the Administrative Plan for Section 8, and the Admissions and Continued Occupancy Plan (ACOP) for Public Housing. The Personnel Policies, Rules and Procedures adopted in July 2001 require that we obtain criminal history information on all newly hired employees as well as those being rehired after a break in service of any duration.

The resolution presented today will allow the Housing Authority to continue its relationship with the San Francisco Sheriff's Department for the period May 2004 through April 2005.

The resolution presented today will allow the Housing Authority to continue its relationship with the San Francisco Sheriff's Department for the period May 2004 through April 2005.

ANTICIPATED OUTCOME

The adoption of the Letter of Agreement to conduct criminal history checks will allow the Housing Authority to obtain comprehensive criminal history information quickly and at a reasonable cost to comply with requirements of HUD and our Personnel Policies.

WHO BENEFITS

Residents and landlords benefit because they know that their new neighbors and tenants have been checked out and do not have a criminal history. The Housing Authority benefits by complying with Federal Regulations and its own policies.

BUDGET CONSIDERATIONS

The cost of obtaining criminal histories will be allocated between Low-Income and Section 8 Program budgets. These costs have been included in these budgets for the period covered by this resolution. For the next year, we will need $73,681based for the anticipated 5,000 criminal history checks. (During the past year, we paid the Sheriff's Department $72,565 for 4,000 criminal history checks.) If all 5,000 criminal checks are done, the price per criminal history check is $14.74 per check. This price is more than competitive with commercial sources. Based on previous quotes received for commercial criminal checks, the price per check including sex offender information ranges from $20 to $33.75 per check per county. The criminal history information obtained through the Sheriff's Departments use of CLETS is much more comprehensive than the information that can be obtained through commercial sources and costs substantially less.

RECOMMENDATION

Adopt the resolution to approve a Letter of Agreement between the San Francisco Housing Authority and the San Francisco Sheriff's Department to obtain criminal history information from the Sheriff's Department for the next year.

LETTER OF AGREEMENT

1. Parties

The parties to this Agreement are the Sheriff of the City and County of San Francisco ("Sheriff"), and the Executive Director of the San Francisco Housing Authority ("Director").

2. Scope Of Work

The Sheriff shall provide summary state criminal history information ("information"), obtained through the California Law Enforcement Telecommunications System, to the Director, for the purpose of screening applicants for employment with, and applicants for participation in subsidized housing programs administered by, the San Francisco Housing Authority ("applicants").

Said information shall be gathered, edited, and presented in the manner authorized by Section 11105.03 of the California Penal Code ("Section 11105.03"), and related statutes and case law. Section 11105.03 is attached hereto and incorporated by reference as though fully set forth.

Said information shall be provided, during the term of this Agreement, for up to five thousand (5,000) applicants, except as otherwise authorized by the Sheriff upon the request of the Director.

3. Information Content

The Sheriff shall have sole discretion to decide the applicability of Section 11105.03, and related statutes and case law, to any information to be provided to the Director.

4. Information Security, Confidentiality, and Use

The Director shall have sole responsibility for the security, confidentiality, and use of the information provided by the Sheriff, as set forth in Penal Code Sections 11105.03(c) through 11105.03(h), and related statutes and case law.

The Director agrees:

a. to be bound by the provisions of said statute, and related statutes and case law,

b. to implement and enforce appropriate regulations regarding such

security, confidentiality, and use, and

c. to immediately inform the Sheriff of any actual or suspected breach of security, breach of confidentiality, or misuse of said information.

5. Reimbursement Of Costs

The Director shall reimburse the Sheriff for the cost of services performed hereunder, by payment in the amount of Seventy Three Thousand Six Hundred Eighty One Dollars ($73,681), in quarterly installments of Eighteen Thousand Four Hundred Twenty Dollars and Twenty Five Cents ($18,420.25), in advance of the quarter in which such services are to be performed.

Performance by the Sheriff hereunder, in the discretion of the Sheriff, may be suspended in the event that the Director fails to provide to the Sheriff, in a timely manner, the sums agreed for the services provided.

6. Performance Objective

The Sheriff and the Director understand the significance of the timely performance of the work described in Section 2 of this Agreement.

The Director requests that such work be performed and results returned within seven (7) calendar days from the date that written requests for such work are received by the Sheriff at the site designated by the Sheriff for the performance of such work.

The Director may designate certain written requests to be processed ahead of others, with the understanding that work performed or results returned in response to requests received prior to such designated requests may be thereby delayed.

The Director agrees to use best efforts to promptly forward such written requests to the Sheriff, as the required information is received by the Director from applicants, on the form designated by the parties for such purpose.

The Sheriff agrees to use best efforts to return results in response to such written requests within seven (7) calendar days from the date that such requests are received by the Sheriff.

Failure by the Sheriff to meet the performance objective described herein shall not be the basis for reduction or delay by the Director of payments to the Sheriff as described in Section 5 of this Agreement, nor otherwise affect the rights or obligations of the parties as described herein.

7. Defend, Indemnify, and Hold Harmless

The Director shall defend, indemnify, and hold harmless the City, the Sheriff, and each and all of their officers, agents, and employees, from all claims, suits, actions, losses, and liability of every kind, regardless of merit,

including but not limited to attorney's fees, directly or indirectly arising out of, connected with, or resulting from provision of information under this Agreement, by the Sheriff to the Director, or any breach of security, breach of confidentiality, or misuse, of information provided by the Sheriff to the Director.

8. Amendments

The Sheriff and the Director, by mutual assent, may amend or modify any or all of the terms of this Agreement.

9. Administration

The Sheriff and the Director may each designate persons to administer this Agreement. Authority of a designee to act hereunder shall not extend to amendment or modification of the terms of this Agreement.

10. Effective Date

This Agreement shall be on May 1, 2004, and shall run until April 30, 2005, subject to an option in the Director to renew for a further term, provided that the exercise of such option shall not be effective except as agreed in writing by the parties as to the scope of services to be provided, the costs of such services, and method of payment therefor, during the term that such renewal is in effect.

MICHAEL HENNESSEY, Sheriff	, Executive Director
Date: _____	Date: _____

RESOLUTION NO.
DATE ADOPTED
[AS AMENDED]

RESOLUTION APPROVING A LETTER OF AGREEMENT WITH THE SHERIFF'S DEPARTMENT FOR THE CITY AND COUNTY OF SAN FRANCISCO TO OBTAIN CRIMINAL HISTORY INFORMATION OF PROSPECTIVE RESIDENTS AND EMPLOYEES

WHEREAS, Federal Regulations and San Francisco Housing Authority policies require a criminal background check of family members prior to leasing as well as new and reemployed employees; and,

WHEREAS, the Housing Authority has investigated various sources from which it could obtain criminal history information and has found that commercial sources offer limited information, generally limited to a single county and at a higher total cost; and,

WHEREAS, the San Francisco Sheriff's Department has provided criminal history information on prospective residents of public and Section 8 housing as well as prospective new employees and will use the California Law Enforcement Telecommunications System (CLETS) to provide the Housing Authority with comprehensive criminal history information for a reasonable cost; and

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Letter of Agreement between the Sheriff's Department and the Housing Authority to conduct criminal history checks is approved in an amount not to exceed $73,681 for the period May 2004 through April 2005.

2. The Executive Director is authorized to approve and implement this Letter of Agreement immediately.

APPROVED AS TO FORM AND LEGALITY:

Donna Mart

DONNA MARTIN, General Counsel

Date 5-6-04

REVIEWED BY:

GREGG FORTNER, Executive Director

Date 5/7/04

HOUSING AUTHORITY
OF THE
CITY AND COUNTY OF SAN FRANCISCO

Minutes of Regular Meeting
Thursday, May 13, 2004

440 Turk Street
San Francisco, California

The Housing Authority of the City and County of San Francisco met in a regularly scheduled meeting at 440 Turk Street, San Francisco, California on Thursday, May 13, 2004, at 4:00 p.m.

Vice President George Brown called the meeting to order at 4:08 p.m.

1. ROLL CALL

Roll call found the following members to be:

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PRESENT: *George R. Brown, Vice President*
Betty J. Smith, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

ABSENT: *Julie Lee, President*
Sululagi Palega, Sr., Commissioner

A quorum was present.

ALSO PRESENT: *Mr. Gregg Fortner, Executive Director*
Ms. Donna Martin, Agency Counsel

2. APPROVAL OF AGENDA

Executive Director Gregg Fortner asked to amend the agenda so that item 11 B, of New Business is removed. In addition, the end of item 11 A should read, "not to exceed $99,000." Vice President Brown asked why item 11 B was being removed. Mr. Fortner answered that the City's budget cycle begins July 1, 2004, and they asked that the Commission's consideration of this item be postponed until then. Commissioner Gans moved to approve the agenda as amended. Commissioner Smith seconded the motion. The motion to approve the agenda as amended was unanimously approved.

3. APPROVAL OF MINUTES

Commissioner Smith moved to approve the minutes of April 22, 2004. Commissioner Gans seconded the motion. Vice President Brown asked if the San Francisco Police Department began its patrol of SFHA developments. Mr. Fortner answered that the

SFPD began its patrol on April 24, 2004 and is still in progress. The motion to approve the minutes of the April 22, 2004 Commission Meeting was unanimously passed.

Commissioner Gans moved to approve the minutes of April 27, 2004. Commissioner Woodruff seconded the motion. The motion to approve the minutes of the April 27, 2004 Special Commission Meeting was unanimously passed.

4. GENERAL COMMUNICATIONS
5. REPORT OF SECRETARY

Gregg Fortner, Executive Director asked the Commission's permission to simultaneously present both items. The Commission did not object. Mr. Fortner stated that an updated version of the Commission Log was included in their folders. First was the Lease Up report. Mr. Fortner stated that the total number of units available had declined by half a dozen. The following document was the staff's response to the public comments of the March 25, 2004 Commission meeting. Next, was a document from HUD relating to a closed session with the Commission. Also included in the folder was a letter from the California Debt Allocation Committee approving the bond allocation for Valencia Gardens. The SFHA was approved to sell $40 million in bonds to assist in the financing of Valencia Gardens. The last document was an update requested by Commissioner Palega regarding shootings in SFHA developments since the last Commission meeting.

As part of the Report of Secretary, Mr. Fortner informed the Commission that HUD had decided to release Section 8 funding based on expenses incurred in August of 2003. This would not affect the SFHA because expenses had declined or leveled off during that time, but would adversely affect about 900 Housing Authorities nationwide. HUD is using language in the appropriations of the 2004 President's budget to accomplish this and is being questioned by advocacy groups across the country. Mr. Fortner stated that it is a disturbing pattern because if HUD continues to renew funding in this manner, or the President's 2005 budget is passed, San Francisco could possibly lose 800 contracted units. The issue is very sensitive because California has five Section 8 vouchers for every public housing unit. Next, Mr. Fortner introduced Mike Roetzer to describe a program the SFHA coordinated with Sherwin Williams.

Mr. Roetzer explained that Sherwin Williams is in the process of engaging various Housing Authority residents in a pre-apprenticeship painting program. Through the efforts of Joyce Robinson, 15 residents were chosen to participate in the 10-day program ending May 14, 2004. The first three days were classroom training with experienced painters explaining the basics of painting. The next six days were spent painting the Milton Meyers Gym and one unit. Mr. Roetzer commented that the gym looked better than it had in a long time. On May 12, 2004 a business agent of the painters local union gave the program participants information about opportunities to join the union and get into apprenticeship programs. The participants were present and on time every day and 14 of the 15 enrolled would be completing the program the following day. Four of the

participants, Christopher Smith of Hayes Valley, Darnell Issacs of Valencia Gardens, Kevin Wilson of Bernal Dwellings, and Tai Tan were present to address the Commission. Mr. Smith stated that Sherwin Williams provided them with a bag of supplies to begin any painting project. Mr. Smith stated that the gym turned out really nice and makes it a better environment for the youth's midnight league basketball. Mr. Issacs echoed those sentiments and added that he learned a lot, it was a good program, and he was glad to be a part of it. Mr. Wilson added that he enjoyed the program. Mr. Tan stated that he hoped he would have a job in the future.

Commissioner Woodruff asked if any women were involved. Mr. Smith answered that about seven participated in the program and he congratulated them for doing a good job and contributing to the team effort.

Charles Hollins of Hunter's View stated that he was involved in painting a couple of the units in his development. He said that he learned a whole lot and loved being a part of the program.

Vice President Brown encouraged them to get into a union, but stated that even if they don't, the skills they've learned could take them a long way. Mr. Smith interjected that he has a lot more to learn, but is committed to growing in the craft and getting deeper in the system. Vice President Brown also encouraged the novices to pass on their knowledge to others in the community. Mr. Smith responded that he intended to.

Vice President Brown asked how much the participants were being paid. Mr. Smith answered that after they join the union, they'll make approximately $16 an hour. After becoming a journeyman, wages would be between $32-$35 an hour. Mr. Smith said that when he finally makes that amount of money, it would enable him to do things he hadn't done in a long time. Mr. Issacs said that currently, they were not being paid. They were just beautifying the community. Vice President Brown extended accolades to the participants for their volunteer efforts. Mr. Smith stated that he hoped there were better lunches next time.

Commissioner Gans stated that she had the opportunity to take a tour of the Milton Meyers Gym the day before, and the program participants were doing a fabulous job and it looked very professional.

Commissioner Woodruff asked if there was a limit on how many could participate in the program. Mr. Fortner answered that the number was up to the discretion of Sherwin Williams. The program financing was done as a partnership with Sherwin Williams. Mr. Fortner commented that Sherwin Williams was not very philanthropic. The SFHA was in hope of turning this into a resident owned business in the long run, whereas Sherwin Williams expects the resident's loyalty to buy their products when they become contractors. Mr. Fortner stated that the SFHA hopes to work with the City Wide Council – Senior/Disabled and PHTA to help this project evolve into a resident owned business.

This would enable the SFHA to sole source the contracts based on HUD regulations versus using private contractors. Mr. Fortner announced that the graduation ceremony for the participants would be held in the Commission Room on May 14, 2004, at 9:00a.m. He congratulated everyone involved for a job well done and for putting together a successful program.

Commissioner Woodruff stated that he hoped this story would make it to the media because they often only focus on the negative. Mr. Fortner responded that the press release was currently being prepared.

6. COMMITTEE REPORTS

Diversity Committee
No report. Commissioner Smith asked Mr. Fortner if it would be appropriate to ask Jim Williams to give the crime report at that time. Mr. Fortner answered that the written crime report was in the folder he just reported on. Commissioner Brown requested the crime statistics for the year to date. Mr. Fortner replied that the Commission would be provided that information.

Finance Committee
Commissioner Gans stated that the April 28, 2004 Finance Committee meeting was her first, and everything looked good. Vice President Brown added that the accountants are doing an excellent job and the SFHA is headed in the right direction by staying within the budget and hopefully there would be excess money available in the future.

Personnel Committee
No report.

7. REPORT OF AGENCY COUNSEL

Agency Counsel Donna Martin stated that there was nothing to report and no closed session.

8. TENANT REPRESENTATIVE REPORT

City Wide Council - Senior/Disabled

Vice President of the City Wide Council – Senior/Disabled, Phillip Lacy reported that their lease had been signed. Mr. Lacy stated that the City Wide Council extends a helping hand to any seniors that would like to join their organization. Mr. Lacy said that this was not a negative reflection on PHTA, but if the seniors felt more comfortable with the City Wide Council, then they were more than welcome.

Commissioner Smith informed Mr. Lacy that Lavonne King said that she would be happy to help organize the seniors at the family developments.

Public Housing Tenants Association (PHTA)

President of the Public Housing Tenants Association, Kimberly Brown stated that hearing the comments of the participants of the Sherwin Williams program was very encouraging and that these types of programs are what will make a difference in the community. Ms. Brown said that various training programs would help participants return to their communities uplifted and ready to help someone else. She asked that Jennifer Hudson and her staff be encouraged to keep dealing with the daily crises. Ms. Brown also asked that everyone work together to solve community issues. She stated that Commissioner Smith had a good idea to memorialize tenants of public housing who have died. PHTA participated in Jennifer Hudson's coordination with mental health experts to deal with the shooting at Plaza East and the residents traumatized by it. PHTA also participated in Commissioner Gans' workshop on Domestic Violence. Ms. Brown said that she learned quite a bit. San Francisco SAFE, and mental health groups were also present. Ms. Brown stated that staff and residents are continuously traumatized by the events in various developments. She said that she was raised in public housing and was victim to the violence of the late 80s and early 90s and the Omega Boys Club helped her to overcome those situations. Ms. Brown said that she had counseled in the juvenile, CYA, and the county jail systems. Her contribution is to raise her children in a manner that shows them how to be men and to properly educate them. Since they were very young, they have been exposed to positive people on staff and now to the Commissioners. Ms. Brown suggested bringing more young people to Commission meetings or bringing the Commission meetings to the community.

Vice President Brown commended Ms. Brown on being a good mother and stated that if more parents were setting the same example, the young people would at least stand a chance.

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

There were no public comments on the agenda items.

10. UNFINISHED BUSINESS – None

11. NEW BUSINESS

Resolution No. 5151

(A) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH CBIZ ACCOUNTING, TAX AND ADVISORY OF ORANGE COUNTY, INC. TO PROVIDE ASSISTANCE IN THE RECONSTRUCTION OF THE FIXED ASSET ACCOUNTS TO ADDRESS THE AUDIT QUALIFICATION **NOT TO EXCEED $99,000.00 [AS AMENDED]**

David Esparza, Finance Administrator presented the resolution. Mr. Esparza stated that the resolution would remove an audit qualification that has been with the Housing Authority for a number of years. The Commission instructed the SFHA to have the audit finding removed by September 30, 2004 in the Fall of 2003. Therefore, an RFP was released for responsible bidders to address this situation. Mr. Esparza stated that James Miller of CBIZ was present as well as a representative from their subcontractor Mah & Associates, Yolanda Okeno.

Commissioner Woodruff asked for the time frame of the contract. Mr. Esparza answered that it would probably be a two-month time frame, and would definitely be completed by the September 30, 2004 deadline. Commissioner Woodruff asked if the contract would be for one or two years. Mr. Esparza answered that the contract would be completed at the end of the job. The contractor would be working with the independent auditors to develop the necessary documentation to establish the fixed asset accounts. The accounts would include land, buildings, structures and equipment. This would make it possible to remove the qualification based on the satisfaction of the auditors.

Vice President Brown pointed out that the memo stated that the firm would be actively recruiting, but didn't specify that they would be hiring. Mr. Esparza responded that CBIZ would collaborate with staff to develop the qualifications for the resident hiring portion of the contract. He stated that CBIZ seemed very confident that they would be able to find a resident to assist in the process. Much of the resident's role would be fieldwork to assess the buildings and structures of SFHA developments.

Mr. Fortner added that this item was reviewed by the Finance Committee during their last meeting, April 28, 2004. Vice President Brown stated that although CBIZ was not the lowest bidder, the Finance Committee thought them to be the best firm suited to complete the work. Mr. Esparza added that the work to be accomplished has become a specialized field in accounting and certified public auditing that few firms have ventured into. CBIZ agreed to focus on the resident learning the skills of the trade. Mr. Esparza stated that the quality of the final product from CBIZ would be far better than what would be received from the other bidders of the RFP.

Vice President Brown asked about a question previously asked during the Finance Committee meeting. The question regarded whether the report could be reused in future years after it is completed. Mr. Esparza answered that a baseline and methodology would be developed by CBIZ to be executed by the SFHA in years to come. This would enable the SFHA to maintain the records and accurately assess the value of its property on a continual basis.

Vice President Brown asked how CBIZ planned on establishing the baseline and methodology. Mr. Esparza answered that the work plan was included in their proposal and asked Mr. Miller of CBIZ to elaborate. Mr. Miller stated that their firm had completed at least 30 fixed asset inventories for small cities and large counties. Their methodology begins at zero with a fresh slate. CBIZ would examine every asset that falls in the criteria of the scope of the project and the SFHA threshold. CBIZ would then physically count the assets and value them based on various criteria. If there were no current cost information, CBIZ would develop it based on appraisals and historical values. If there were no historical values, CBIZ would go back to the date of acquisition and based on current values and the assessed value over the years, a baseline price would be determined. Mr. Miller stated that CBIZ predicts that there would be a significant increase in the value of SFHA assets.

Commissioner Smith asked how many people work for the firm and would be performing the assessment. Mr. Miller answered that CBIZ has 85 employees and Mah & Associates has 16. He added that they foresee a team of six to eight individuals, plus residential employees, working to accomplish the assessment. Mr. Miller stated that the resident employees would serve as guides to identify the location of assets.

Commissioner Woodruff asked what percentage of the job would be dedicated to resident employees. Mr. Miller answered 25%.

Vice President Brown asked how the work was divided between the two firms and why both were necessary. Mr. Miller stated that CBIZ is based in southern California whereas Mah and Associates is a local, minority owned business. He would be the project manager and oversee all staff. Ms. Okena added that she has four to six staff assigned to the project as needed.

Mr. Fortner asked if CBIZ guarantees that the audit finding would be removed. Mr. Miller answered yes.

Commissioner Smith asked what they would be looking for in each apartment. Mr. Miller answered that anything valued above $500 would be recorded. A format would be developed in collaboration with the SFHA Finance Department and an inventory would be established in any preferable form. It can be done by project, in total, or whatever is agreed upon.

Vice President Brown asked how many Housing Authorities were faced with the issue of this particular audit finding. Mr. Esparza answered that there were countless numbers of Housing Authorities dealing with the same issue. The drive to resolve the audit finding derives from HUD moving to Gatsby 34 Basis for Accounting which will require Housing Authorities to remove open qualifications on their audits. Mr. Esparza explained that at a certain point, HUD would inevitably require the audit removal by a certain date and the SFHA is being proactive in removing the audit finding. Mr. Fortner added that the SFHA knows of no other Housing Authorities attempting to remove this audit finding.

Commissioner Woodruff moved to pass Resolution No. 5151. Commissioner Smith seconded the motion. The motion to pass Resolution No. 5151 was unanimously passed.

12. PUBLIC COMMENTS ON ITEMS NOT ON AGENDA

Tawanna Grainger stated that she has been living in public housing for 11 years and had previously spoken with Gregg Fortner, and Naja Boyd. Ms. Grainger said that she is a recovering addict who has been clean for eleven years and got her nursing license. Ms. Grainger has three children: a 12 year old daughter, a 14 year old son and an 11 year old son. The 12 year old daughter and 14 year old son are sharing a room. Her daughter started her period at nine years old. Ms. Grainger said that she can not go to Sunnydale, Westside, or the Hunter's Point area because she grew up and used there. The only projects that she has not used in are North Beach and Ping Yuen. She stated that she is doing well in Ping Yuen and has been involved in saving lives. Ms. Grainger then read an excerpt from the SF Chronicle. Ms. Grainger explained that she became a nurse because she was tired of seeing her comrades die and not be able to do anything about it.

13. COMMISSIONER COMMENTS AND REPORTS

Commissioner Gans stated that on May 12, 2004 she collaborated with Jennifer Hudson to bring Cynthia Selmore of the Department of Public Health to the Alemany development for counseling. Commissioner Gans said that she was really upset because she was the one who found the dead young man in the development. She said that Jennifer Hudson and Cynthia Selmore did an excellent job at distributing information about different services available. Commissioner Gans said that she would be contacting more services to visit the development. Commissioner Gans was especially concerned about the children and how traumatic the experience must have been for them. She thanked Jennifer Hudson and the Department of Public Health for coming out.

Commissioner Smith announced that the Commission was collaborating with staff to hold a memorial service for the entire Housing Authority to show love, respect, and encourage peace. She invited everyone to attend. The date was tentatively scheduled for the beginning of the week of May 24, 2004.

Vice President Brown asked Commissioner Gans how she was able to get the Department of Health to visit the Alemany development. Commissioner Gans answered that she simply made a phone call to Jennifer Hudson and it was organized within a couple of days. Commissioner Gans added that the people have to want counseling, and it would be readily available to them. Commissioner Smith stated that Jennifer Hudson also held a meeting at Rosa Parks on May 7, 2004. This was a continuation from a meeting held at Third Baptist Church. Commissioner Smith said that there was a large response from Plaza East residents due to the recent violence. She also added that Lavonne King informed her that if these departments are contacted, they are always ready to respond. Mr. Fortner stated that the public has had concerns that the SFHA is not proactive. Therefore, when the incident at Alemany occurred, Mr. Fortner stated that he immediately had staff arrange to have the Department of Public Health dispatched to the site to distribute information on mental health, and making anonymous reports. Mr. Fortner stated that the process was in progress to be duplicated at Sunnydale due to the most recent violence there. Mr. Fortner said that Mike Roetzer suggested that the SFHA contact the city's emergency response system to deal with these situations.

14. ADJOURNMENT

There being no further business to come before the Commission, Commissioner Woodruff moved to adjourn the meeting. Vice President Brown adjourned the regularly scheduled meeting of May 13, 2004 at 5:04 p.m.

Gregg Fortner, Secretary/Executive Director

George Brown, Vice President

SAN FRANCISCO HOUSING AUTHORITY

440 Turk Street • San Francisco CA • 94102 • (415) 554-1200

NOTICE

CANCELLATION OF MAY 27, 2004 COMMISSION MEETING

THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO, SCHEDULED FOR MAY 27, 2004, HAS BEEN CANCELLED.

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GREGG FORTNER, SECRETARY/ EXECUTIVE DIRECTOR

SAN FRANCISCO HOUSING AUTHORITY

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NOTICE

THE REGULARLY SCHEDULED MEETING OF THE
SAN FRANCISCO HOUSING AUTHORITY COMMISSION
WILL BE HELD ON THURSDAY, JUNE 10, 2004 AT 4:00 P.M.
AT 440 TURK STREET, SAN FRANCISCO, CALIFORNIA, 94102

A G E N D A
June 10, 2004

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1. ROLL CALL

   Julie Lee, President
   George R. Brown, Vice President
   Sululagi Palega, Sr., Commissioner
   Betty J. Smith, Commissioner
   Neola Gans, Commissioner
   Rev. George Woodruff, Commissioner

2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES

   - May 13, 2004 Commission Meeting

4. GENERAL COMMUNICATIONS

5. REPORT OF SECRETARY

6. COMMITTEE REPORTS

   Diversity Committee – Nothing to Report
   Finance Committee – Nothing to Report
   Personnel Committee – Nothing to Report

7. REPORT OF AGENCY COUNSEL

8. TENANT REPRESENTATIVE REPORT:

   City Wide Council - Senior/Disabled
   Public Housing Tenants Association (PHTA)

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

   NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

10. UNFINISHED BUSINESS - NONE

11. NEW BUSINESS

    (A) RESOLUTION AUTHORIZING THE APPOINTMENT OF THE NEIGHBORHOOD REPRESENTATIVE TO THE PLAZA EAST HOUSING CORPORATION BOARD OF DIRECTORS

    (B) RESOLUTION AUTHORIZING THE APPOINTMENT OF THE COMMISSIONER REPRESENTATIVE TO THE PLAZA EAST HOUSING CORPORATION BOARD OF DIRECTORS

12. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

13. COMMISSIONER'S COMMENT AND REPORT

14. ADJOURNMENT

GREGG FORTNER, Secretary/Executive Director

A

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • S an Francisco CA • 94 102 • (415) 554-1200

DATE: June 1, 2004

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

Julie Lee, President
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: RESOLUTION AUTHORIZING THE APPOINTMENT OF THE NEIGHBORHOOD REPRESENTATIVE TO THE PLAZA EAST HOUSING CORPORATION BOARD OF DIRECTORS

OVERVIEW

The Plaza East Housing Corporation Bylaws, as adopted on September 24, 1998, by the San Francisco Housing Authority (SFHA) Commission, provides for a seven member Board of Directors. Currently, five positions on the Board are filled, with the exception of Commissioner and Neighborhood Representative. This resolution requests that the Commission appoint a neighborhood representative to the Plaza East Housing Corporation Board of Directors.

After several months of outreach to the neighborhood, a number of neighborhood residents expressed interest in the position. The Plaza East Tenants Association (PETA), Plaza East residents, and SFHA staff reviewed their involvement with residents and the community for the last ten years. Ms. Irene Byrne was determined to be the best qualified neighborhood representative and was unanimously recommended for the position by the PETA (see enclosed letter). Ms. Byrne holds the position of Executive Director at the Phoebe Hearst Learning Center located on the north side of Willow Street, and is actively involved in the neighborhood.

OBJECTIVE

The objective of this resolution is to obtain Commission appointment of a neighborhood representative to the Plaza East Housing Corporation Board of Directors. The Commission, by taking this action, will ensure neighborhood participation and tenant interaction with the community in the ongoing activities relating to Plaza East.

ANTICIPATED OUTCOMES

The Plaza East Housing Corporation will have filled one of the vacant positions on the Board of Directors with a neighborhood representative as a member of the Board. A Commissioner representative appointment resolution is also on the agenda for your consideration so that all vacant positions will be filled. The other current Board members are three (3) SFHA staff and two (2) Plaza East residents recommended by the PETA and confirmed by the Executive Director.

WHO BENEFITS

The residents of Plaza East, the surrounding community, and the City benefit because the Plaza East Housing Corporation Board of Directors is broadly and fully constituted, with representatives from the residents, community and SFHA.

BUDGET CONSIDERATIONS

There is no budgetary impact.

RECOMMENDATION

Staff recommends that the Commission appoint Ms. Irene Byrne to the Plaza East Housing Corporation Board of Directors as the Neighborhood Representative.

(Prepared by Ingerbore Rivera and Juan Monsanto)

Irene Byrne
2600 Wimbledon
Napa, CA. 94558
(707) 224-2938

SUMMARY

Dynamic professional with experience in teaching and administering early childhood education. Motivated, compassionate individual dedicated to the development of the whole child. Energetic and creative in the pursuit of goals. Experienced in meeting challenges. Excellent and practical problem solving skills. Reputation as a responsible, diplomatic individual who enjoys working as part of a team.

QUALIFICATIONS

Published author of parent guide to preschool selection.
Conducted marketing and admissions for preschool. Currently fully enrolled.
Helped build staff and faculty of 18 to work as a cohesive working team.
Involved in hiring and training of all staff members.
Created and developed a movement/fitness program for 2-8 year olds.
Established and directed a Montessori preschool.
Taught and directed at elementary school level.

PROFESSIONAL EXPERIENCE

Phoebe A. Hearst Preschool Learning Center, San Francisco, CA 1995-Present
Executive Director Responsible for entire running of preschool. Enrollment of 82.
Director of Marketing and Admissions Coordinated all aspects of marketing and admissions including tours of the program.

Montessori Corner Preschool, San Francisco, CA 1990-1994
Director/Head Teacher Established preschool and dealt with all administrative and teaching issues including curriculum development.

St. Philip Elementary School, San Francisco, CA 1989-1990 and 1985-1988
Head Teacher Responsible for the Pre-Kindergarten and Kindergarten Classroom.

Barnardos, Republic of Ireland
Deputy Supervisor Managed staff and 40 children in Daycare facility. 1988-1989

EDUCATION

M.A. in Education, San Francisco State University, San Francisco, CA.
Sion Hill College, Dublin, Ireland.
Association Montessori International, Teaching Diploma 3-6 years.
B.A., University College Dublin, Ireland
Degree in Psychology and English
City College, San Francisco, CA
Early Childhood Administration, Management and Supervision.
W.I.S.E., San Francisco, CA
Business Planning 1 and 2.

PLAZA EAST TENANTS ASSOCIATION

1398 Buchanan Street, San Francisco, CA 94102

415.923.5995 415.923.5891 (FAX)

March 13, 2004

Gregg Fortner, Executive Director
San Francisco Housing Authority
440 Turk Street
San Francisco, CA 94142

Re: Neighborhood Representative
Plaza East Housing Corporation
Ms. Irene Byrne

Dear Mr. Fortner,

It is with great pleasure that I, as the duly elected representative of the Plaza East Tenants Association, support the appointment of Irene Byrne as the Neighborhood Representative for the Plaza East Housing Corporation.

Ms. Byrne and her staff have been attending our meetings for several years as concerned citizens, neighbors, and business managers for the Phoebe Hearst Learning Center behind our Plaza East apartments off Willow Street.

She has been most influential in providing feedback for security and health concerns for the neighborhood and we feel she would really be an asset for this task.

Should you have any questions, please do not hesitate to contact me directly.

Sincerely,

Martha Hollins

Martha Hollins, President

cc: Board members
File

RESOLUTION NO. 5152
DATE ADOPTED 6/10/04

RESOLUTION AUTHORIZING THE APPOINTMENT OF THE NEIGHBORHOOD REPRESENTATIVE TO THE PLAZA EAST HOUSING CORPORATION BOARD OF DIRECTORS

WHEREAS, Resolution 4721 adopted on September 24, 1998, approved the formation of the Plaza East Housing Corporation (the "Corporation") to act as the general partner of the limited partnership that will own the reconstructed Plaza East development; and,

WHEREAS, the Corporation bylaws require that the Commission appoint a neighborhood representative (the "Neighborhood Representative") to the board of directors of the Corporation, which representative shall serve at the pleasure of the Commission; and,

WHEREAS, the qualifications of Irene Byrne as a neighborhood representative were reviewed by the Plaza East residents and SFHA staff, along with others who expressed interest in serving on the board of directors of the Corporation as the Neighborhood Representative; and,

WHEREAS, Ms. Irene Byrne was determined to be the best qualified of the neighborhood residents; and,

WHEREAS, the Plaza East Tenants Association agreed on and provided a letter of support for Ms. Irene Byrne to become the Neighborhood Representative for the Plaza East Housing Corporation.

NOW, THEREFORE BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Commission hereby appoints Ms. Irene Byrne to the board of directors of the Corporation as the Neighborhood Representative.

2. This Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY

Donna Martin

DONNA MARTIN
General Counsel

Date: 6-3-04

REVIEWED BY:

Gregg Fortner

GREGG FORTNER
Executive Director

Date: 6/3/04

DATE: June 1 , 2004

TO: Mr. Gregg Fortner, Executive Director

FROM: Barbara Smith, Administator B.T. Smith
Robert Dahlstrom, Deputy Administrator
Housing Development and Modernization

PREPARED BY: Ingerbore Rivera, Jr. Management Analyst

SUBJECT: RESOLUTION APPROVAL: RESOLUTION AUTHORIZING THE APOINTMENT OF A NEIGHBORHOOD REPRESENTATIVE TO THE PLAZA EAST HOUSING CORPORATION BOARD OF DIRECTORS

RE: Agenda Item
submitted for review and signature.

I. **BACKGROUND AND SUMMARY** (Type on reverse side or attach additional page):

II. **REQUIRED APPROVALS:**

PROCUREMENT:

Signature Date

Title

FUNDS AVAILABLE:

Signature Date

Title

Account

Line Item

FINANCE:

Signature Date

Administrator of Finance

BASS ADMINSTRATION:

Signature Date

Administrator
Title

LEGAL:

Donna Martin 6-3-04
Signature Date

Title

CONTRACT DIVISION:

Signature Date

Acting Deputy Administrator
Title

OTHER DEPARTMENT:

Signature Date

Title

EXECUTIVE OFFICE:

Signature Date

Executive Director
Title

III. **RETURN TO:** Lima Ilalio, Sr. Secretary; Ext. 715-3210

SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO • CALIFORNIA • 94102 • (415) 554-1200

CERTIFICATE

I, Julie Lee, duly elected President of the Board of Commissioners of the Housing Authority of the City and County of San Francisco, do hereby certify that the following was adopted at the Regular Meeting of the Commission held on June 10, 2004:

RESOLUTION NO. 5152

RESOLUTION AUTHORIZING THE APPOINTMENT OF THE NEIGHBORHOOD REPRESENTATIVE TO THE PLAZA EAST HOUSING CORPORATION BOARD OF DIRECTORS; **IN ADDITION, THE CORPORATION BYLAWS MUST BE AMENDED TO INSTITUTE TERM LIMITS [AS AMENDED]**

Attached is a true and correct copy of the Resolution as adopted at the said meeting, on file and on record as adopted by the following vote of the Members:

FOR ADOPTION:

Julie Lee
Sululagi Palega, Sr.
Betty J. Smith
Neola Gans
George Woodruff

AGAINST ADOPTION:

ABSENT (EXCUSED):

George R. Brown

IN TESTIMONY, WHEREOF, I have hereto set my hand and seal of said Authority this date: December 9, 2004.

Julie Lee, President
SFHA Commission

B

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • S an Francisco CA • 94 102 • (415) 554-1200

DATE: June 1, 2004

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

Julie Lee, President
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: RESOLUTION AUTHORIZING THE APPOINTMENT OF THE COMMISSIONER REPRESENTATIVE TO THE PLAZA EAST HOUSING CORPORATION BOARD OF DIRECTORS

OVERVIEW

The Plaza East Housing Corporation Bylaws, as adopted on September 24, 1998, by the San Francisco Housing Authority (SFHA) Commission, provides for a seven member Board of Directors. Currently, five positions on the Board are filled, with the exception of Commissioner and Neighborhood Representatives. This resolution requests that the Commission appoint a Commissioner Representative to the Plaza East Housing Corporation Board of Directors.

Commissioner Betty J. Smith has been involved in the Western Addition Community and with the Plaza East residents for a number of years. The Plaza East Tenants Association and Plaza East residents have acknowledged this involvement. The Plaza East Tenants Association unanimously decided to recommend that Commissioner Smith be appointed as Commissioner Representative to the Plaza East Housing Corporation Board of Directors.

OBJECTIVE

The objective of this resolution is to obtain Commission appointment of a Commissioner Representative to the Plaza East Housing Corporation Board of Directors. The Commission, by taking this action, will ensure SFHA Board of Commissioner's participation and representation in the ongoing activities on the Plaza East housing development.

ANTICIPATED OUTCOMES

The Plaza East Housing Corporation will have filled the vacant position on the Board of Directors with a Commissioner Representative that was previously filled by former Commissioner Rev. Edgar Boyd. A resolution is also on the agenda to appoint a neighborhood representative, the only other vacant position on the Plaza East Housing Corporation (PEHC) Board of Directors. The other current PEHC Board members are three (3) SFHA staff and two (2) Plaza East residents appointed by the Plaza East Tenants Association and confirmed by the Executive Director.

WHO BENEFITS

The residents of Plaza East, the surrounding community, and the City benefit because the Plaza East Housing Corporation Board of Directors is broadly constituted, with representatives from the residents, community, and SFHA.

BUDGET CONSIDERATIONS

There is no budgetary impact.

RECOMMENDATION

Staff recommends that the Commission appoint Commissioner Smith to the Plaza East Housing Corporation Board of Directors as the Commissioner Representative.

(Prepared by Ingerbore Rivera and Juan Monsanto)

RESOLUTION NO. 5153
DATE ADOPTED 6/10/04

RESOLUTION AUTHORIZING THE APPOINTMENT OF THE COMMISSIONER REPRESENTATIVE TO THE PLAZA EAST HOUSING CORPORATION BOARD OF DIRECTORS

WHEREAS, Resolution 4721 adopted on September 24, 1998, approved the formation of the Plaza East Housing Corporation (the "Corporation") to act as the general partner of the limited partnership that will own the reconstructed Plaza East development; and

WHEREAS, the bylaws also require that the Commission appoint a Commissioner representative (the "Commissioner Representative") to the board of directors of the Corporation, which representative shall serve at the pleasure of the Commission; and

WHEREAS, Commissioner Betty J. Smith are has been involved in the Western Addition Community and with the Plaza East residents for a number of years, and consequently expressed interest in serving on the board of directors of the Corporation as the Commissioner Representative, and her appointment is supported by the Plaza East residents and the Executive Director; and

WHEREAS, Commissioner Smith would be an excellent Commissioner representative on the Plaza East Housing Corporation based on her interests in the residents and surrounding community as well as being a resident of the neighborhood.

NOW, THEREFORE BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Commission hereby appoints Commissioner Betty J. Smith to the Board of Directors of the Plaza East Housing Corporation to serve as the Commissioner Representative.

2. This Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY

Donna Martin

DONNA MARTIN, General Counsel

Date: 6-3-04

REVIEWED BY:

Gregg Fortner

GREGG FORTNER
Executive Director

Date: 6/3/04

DATE: June 1, 2004

TO: Mr. Gregg Fortner, Executive Director

FROM: Barbara Smith, Administator B. T. Smith
Robert Dahlstrom, Deputy Administrator
Housing Development and Modernization

PREPARED BY: Ingerbore Rivera, Jr. Management Analyst

SUBJECT: RESOLUTION APPROVAL: RESOLUTION AUTHORIZING THE APOINTMENT OF AN SFHA COMMISSIONER REPRESENTATIVE TO THE PLAZA EAST HOUSING CORPORATION BOARD OF DIRECTORS

RE: Agenda Item
submitted for review and signature.

I. BACKGROUND AND SUMMARY (Type on reverse side or attach additional page):

II. REQUIRED APPROVALS:

PROCUREMENT:
NA
Signature Date

Title

FUNDS AVAILABLE:
NA
Signature Date

Title

Account

Line Item

FINANCE:
NA
Signature Date

Administrator of Finance

BASS ADMINSTRATION:
NA
Signature Date

Administrator
Title

LEGAL:
Donna Martin 6-3-01
Signature Date

Title

CONTRACT DIVISION:
NA
Signature Date

Acting Deputy Administrator
Title

OTHER DEPARTMENT:
NA
Signature Date

Title

EXECUTIVE OFFICE:

Signature Date

Executive Director
Title

III. RETURN TO: Lima Ilalio, Sr. Secretary; Ext. 715-3210

SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO • CALIFORNIA • 94102 • (415) 554-1200

CERTIFICATE

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RESOLUTION NO. 5153

RESOLUTION AUTHORIZING THE APPOINTMENT OF THE COMMISSIONER REPRESENTATIVE TO THE PLAZA EAST HOUSING CORPORATION BOARD OF DIRECTORS

Attached is a true and correct copy of the Resolution as adopted at the said meeting, on file and on record as adopted by the following vote of the Members:

FOR ADOPTION:

Julie Lee
Sululagi Palega, Sr.
Betty J. Smith
Neola Gans
George Woodruff

AGAINST ADOPTION:

ABSENT (EXCUSED):

George R.Brown

IN TESTIMONY, WHEREOF, I have hereto set my hand and seal of said Authority this date: December 9, 2004.

Julie Lee, President
SFHA Commission

HOUSING AUTHORITY
OF THE
CITY AND COUNTY OF SAN FRANCISCO

Minutes of Regular Meeting
Thursday, June 10, 2004

440 Turk Street
San Francisco, California

The Housing Authority of the City and County of San Francisco met in a regularly scheduled meeting at 440 Turk Street, San Francisco, California on Thursday, June 10, 2004, at 4:00 p.m.

~~Vice President George Brown~~ President Julie Lee called the meeting to order at 4:14 p.m.

1. ROLL CALL

Roll call found the following members to be:

PRESENT: *Julie Lee, President*
Sululagi Palega, Sr., Commissioner (arrived at 4:25p.m.)
Betty J. Smith, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

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ABSENT: *George R. Brown, Vice President*

A quorum was present.

ALSO PRESENT: *Mr. Gregg Fortner, Executive Director*
Ms. Donna Martin, Agency Counsel

2. APPROVAL OF AGENDA

Commissioner Gans moved to approve the agenda. Commissioner Smith seconded the motion. The motion to approve the agenda was unanimously approved.

3. APPROVAL OF MINUTES

Commissioner Smith moved to approve the minutes of May 13, 2004. Commissioner Gans seconded the motion. The motion to approve the minutes of the May 13, 2004 Commission Meeting was unanimously passed.

4. GENERAL COMMUNICATIONS
5. REPORT OF SECRETARY

Gregg Fortner, Executive Director asked the Commission's permission to simultaneously present both items. The Commission did not object. Mr. Fortner announced that John

Evans, a long time employee of the Housing Authority, had passed away on Thursday, May 27, 2004 at the age of 52. He was a life long resident of Oakland, California and a 15-year employee of the San Francisco Housing Authority as a plumber. Present in the audience were Mr. Evans' parents, John Evans Sr., and Betty Evans, his wife Bernadine Evans and his brother Keith Evans. Mr. Fortner read the proclamation dedicated to John Evans and presented it to his wife and family.

The first document in the Commission folder was the Request Log, which had been updated to reflect the latest Commission assignments to staff. The Lease Up report followed and had not changed much in the last month. Three hundred units were vacant making the vacancy rate less than 5%. The next three documents were staff responses to the public comments at the April 8th, April 22nd, and May 13th Commission meetings. The next document was in regards to the Department of Justice Consent Decree. The first part of the document was produced by Buddy Choy, Administrator of the Office of Fair Housing and detailed the statistics of reports and referrals during the first six months of the Consent Decree. Following, was the status of all legal requirements of the Consent Decree prepared by the General Counsel, Donna Martin. The next document was an email from Donna Martin concerning the joint commission meeting with the Police Commission. Mr. Fortner explained that the Police Commission has been very busy lately with the escalating violence in the city, but Julissa Owens and the Legal Department were diligently working to schedule the meeting. The next document was an update on Valencia Gardens, the last HOPE VI development. Mr. Fortner directed the Commission's attention to the second page that forecasted various forthcoming Commission actions. Mr. Fortner stated that staff wanted to provide the Commission with a summary of the resolutions soon to be presented. Mr. Fortner suggested to President Lee an ad hoc committee to review the details of what would be presented to the Commission at the next meeting. Next, was an updated report on the True Hope Square (Alice Griffith Parking Lot). The next document was a report on all shooting incidents occurring in Public Housing Developments since April 23, 2004. In the confidential envelope was the status of all pending legal cases.

For the report of the secretary, Mr. Fortner began by asking Barbara Smith to address the Commission regarding the Alice Griffith Parking Lot plans. Mr. Fortner reminded the Commission that the plans are to build 75 homes for low-income family ownership opportunities. Ms. Smith stated that they have put together a schedule for the remaining tasks. The project's progress was delayed by the State Historic Preservation Office and HUD approvals. The review and approval of the State Historic Preservation Office was requested by the Mayor's Office of Housing. The Mayor's Office of Housing examined the site and made a preliminary determination that the SFHA didn't have to seek the State Historic Preservation Officer's approval. The environmental findings and approvals could be submitted directly to HUD for final approval. Four to five weeks later, HUD responded to the Mayor's Office of Fair Housing that the State Historic Preservation Officer must make a finding then the documents can be submitted to HUD. Ms. Smith stated that this has delayed the project by a couple of months. Mr. Fortner added that the

role of the State Historic Preservation Office is to assess structures to determine whether they have any historical significance. The land under review is a vacant lot, but the SFHA must undergo a bureaucratic process to get the State Historic Preservation Office to officially state that there are no structures on the lot to be preserved. President Lee asked if the SFHA could ask for an exemption because the lot is vacant. Ms. Smith answered that it was requested but HUD stated that they would not review the project until they heard from the State Historic Preservation Office. Mr. Fortner added that the irony is that HUD actually tore down the buildings and were on the property for 15-20 years before that. Ms. Smith stated that the state has 30 days to make their review and that time is up on June 17th. The Mayor's Office of Housing is in contact with them and expects the sign off on June 17, 2004. Upon receiving their approval, the SFHA could get the disposition application approved by HUD. The disposition and development agreement would then be presented to the Commissioners. The developer could take the project to the city's Department of City Planning to go through the conditional use process. The schedule before the Commission reflected the delays.

Ms. Smith stated that Jessica Evans of the San Francisco Bay Area Housing Development Corporation was present in the audience. Ms. Evans had been leading community meetings on first time homebuyer's education. Ms. Smith said that quite a few Alice Griffith residents have attended the meetings. A list is being kept and participants receive follow-up materials. Meetings have been held from March until June. Mr. Fortner said that the Commission would receive updates as the process continues.

Mr. Fortner then continued in the report of secretary. He reported that the Mayor has mandated improvements at the Sunnydale development. One such improvement was the basketball court that was a makeshift parking lot. Also, some of the corners are being beautified as well as new equipment on some of the playgrounds. The Department of Public Works, the Department of Parks and Recreation, and the Department of Parking and Traffic are engaged in this effort, which will culminate into a community event. All of the service providers engaged in Sunnydale will have booths set up to disseminate information. Mr. Fortner stated that this is a positive step for the Housing Authority because the city is engaged in an effort that the SFHA wouldn't have been able to accomplish for years. SFHA capital funds will be used to lay asphalt on the basketball court and playground equipment if the SFHA is unable to obtain donations, but the whole city is collaborating to make a dramatic difference in that area. The city began its efforts with the Mayor's Office of Community Development organizing over 100 volunteers to go door to door to bring awareness of services available to Sunnydale residents. The date of the community event is July 24, 2004.

Mr. Fortner then reported on the budget for the up coming fiscal year. HUD is proposing to fund the operating fund at 93% of what the SFHA requested. That equated to a $1.8 million shortfall for the public housing program. HUD has saved subsidies for the Section 8 program without having to remove anyone from the program, but has managed to cut the administrative fees the SFHA is paid to run the program. Initial projections

anticipated a loss of $800,000. HUD has since reneged on those estimates and now projects a 6.5% cut equating to a four or five hundred thousand-dollar shortfall. This is the administrative fund used to pay for salaries and supplement programs that lack public housing funds. Combined with recommendation of decreased capital funds, the budget picture does not look good. Mr. Fortner stated that it is a challenge that must be figured out. The budget must be balanced and the SFHA must try to provide the same services by October 1, 2004. Mr. Fortner said that the Commission would continue to be informed of all proposals the SFHA faces.

Commissioner Palega asked if the SFHA would receive funds from the Mayor's Office of Community Development (MOCD) to lay the asphalt for the basketball court. Mr. Fortner answered that currently the SFHA was only receiving funding from the Department of Public Works (DPW). The SFHA is trying to engage MOCD funds for the playground area. The area was previously a parking lot and must now be leveled to lay the foundation for a full sized basketball court. DPW is breaking up the ground and laying the cement. The SFHA will lay down the asphalt and an outside provider will donate the actual court. Commissioner Palega asked about the playground structure in the area. Mr. Fortner said that one would be removed and the other does not meet the code and would be demolished. The Mayor would like to ensure that a swing set is installed for the children's playground and the SFHA would purchase it if it were not donated. Mr. Fortner stated that the leverage the SFHA is getting from the city is saving a lot of money from the budget of future years. Commissioner Palega inquired about DPW laying the asphalt. Mr. Fortner responded that an outside contractor could perform the work for less than DPW in addition the SFHA may need to ask the city for something later, so it would be better to use SFHA funds for this task. Commissioner Palega stated that it would be beneficial to the SFHA to have DPW perform the work so it could save money in the capital fund and possibly get young people in the community involved in doing some of the labor work. Mr. Fortner stated that the SFHA would be better off hiring residents through a contractor because DPW only uses their in house labor boards. Mr. Fortner continued by stating that Commissioner Palega brought up a good point because the city would soon face a $300,000,000 shortfall in funding and is looking at cutting 400-500 jobs. Mr. Fortner reiterated the importance of the collaboration with city departments and that Potrero is probably next to receive attention and upgrades.

President Lee asked who was responsible for the lighting in Sunnydale. Mr. Fortner answered the Public Utilities Commission (PUC). President Lee stated that the Mayor was concerned about the lack of lighting in certain areas and property managers should alert the PUC of streetlights that are out. President Lee also said that the Mayor is concerned about the crime in the area and individuals not stepping forward as a witness. President Lee suggested starting a crime watch and educating the residents of the importance of stepping forward. She reported that the Mayor had raised the reward from $25,000 to $100,000, but wasn't sure if the residents were aware of this. President Lee asked if there was any way the residents could be informed of this to help get their cooperation. Mr. Fortner responded that the SFHA is currently in partnership to have the

San Francisco Police Department patrol SFHA sites for 12 hours a day. Teams are located at Sunnydale, Potrero, Hunter's View and Westbrook. This is a supplemental service the SFHA will have to pay for and a contract is under negotiation. The contract will come before the Commission soon. Mr. Fortner stated that one of the jobs of the police in the community is to knock on the door of every resident, introduce themselves and begin building a relationship with the community. Mr. Fortner speculated that the media has contributed to reinforcing the fear of coming forward as a witness to a crime. Mr. Fortner stated that he hoped the police begin to think outside of the box of depending on witnesses to come forward and search for more evidence to convict criminals. Mr. Fortner stated that the police are being included in most community events in order to build relationships with the residents and establish a comfort level to reduce the fear of coming forward. President Lee also asked staff to talk to the PUC about providing enough garbage cans for the area because litter was also a concern of the Mayor. Mr. Fortner stated that the SFHA has laborers that pick up trash during the week, but on the weekend the grounds are usually littered again. Scavenger Nor Cal is also paid $2.8 million a year to pick up the litter of SFHA sites. Mr. Fortner said that the community must be made aware of the importance of the upkeep of the property because a lot of resources are invested to help keep it clean. Occasionally, the Mayor would dispatch DPW to clean up on the weekends, but that is rare.

6. COMMITTEE REPORTS

Diversity Committee
No report.

Finance Committee
No report.

Personnel Committee
No report.

7. REPORT OF AGENCY COUNSEL

Agency Counsel Donna Martin stated that there was nothing to report.

8. TENANT REPRESENTATIVE REPORT

City Wide Council - Senior/Disabled

President of the City Wide Council – Senior/Disabled, William Vitalie reported that they were in the final planning stages of the annual senior trip. The trip is open to all 25 developments.

Public Housing Tenants Association (PHTA)

Mr. Fortner stated that Kimberly Brown was unable to attend the meeting because she was assisting in the door-to-door effort in Sunnydale.

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

There were no public comments on the agenda items.

10. UNFINISHED BUSINESS – None

11. NEW BUSINESS

Resolution No. 5152

(A) RESOLUTION AUTHORIZING THE APPOINTMENT OF THE NEIGHBORHOOD REPRESENTATIVE TO THE PLAZA EAST HOUSING CORPORATION BOARD OF DIRECTORS; **IN ADDITION, THE CORPORATION BYLAWS MUST BE AMENDED TO INSTITUTE TERM LIMITS [AS AMENDED]**

Juan Monsanto, Planning and Program Development Manager reported that the Plaza East Housing Corporation is a non-profit representative of partnership of Plaza East. The corporation meets every quarter. The bylaws allow for representatives of the Housing Authority, the neighborhood and residents to become part of the board of directors. In the last several months, the previous neighborhood representative passed away. The SFHA had been seeking a replacement and came across Ms. Burns. Ms. Burns has been an active in the Plaza East community since 1998 and had involved herself in security and childcare issues. Ms. Burns is the executive director of the Phoebe Hearst Preschool and also apart of various organizations in the Western Addition.

Commissioner Woodruff asked what the length of the term is. Mr. Monsanto answered that an appointee could serve until they decide to move on. President Lee asked Ms. Burns to step forward and address the Commission. Ms. Irene Burns stated that she has been in the community for over 9 ½ years and has been the director at the school for 8 of

those years. One of the school's goals is to be apart of the community and this gives her an opportunity to be formally involved, enhancing her relationship with the community.

Commissioner Palega asked where the school was located. Ms. Burns answered at Alice and Laguna.

President Lee asked if she lives in the community. Ms. Burns answered that she does not, but resides in Napa. President Lee asked if she's ever lived in the neighborhood. Ms. Burns answered that she lived in San Francisco until five years ago, but never in this neighborhood. President Lee asked if it was important that the neighborhood representative actually live in the neighborhood. Mr. Monsanto answered that the Plaza East residents and Tenant's Association support the appointment of Irene Burns because she has been actively involved in attending meetings regardless of her work schedule. The residents appreciate her involvement with the children of the area. Ms. Burns has ensured proficient playgrounds and any amenities necessary for the children. Mr. Fortner added that the bylaws do not state that the neighborhood representative must live in the community. Of the current board, the only one that lives in San Francisco is Donna Martin. Mr. Monsanto stated that a letter of support from the Tenant's Association was included in the resolution package.

Commissioner Woodruff asked if she had done any kind of work like this in her homeland of Ireland. Ms. Burns replied that she had served on the Board of Directors in San Francisco.

In response to President Lee's question, Mr. Monsanto answered that the board meets quarterly and has a standard agenda. The advantage of having a neighborhood representative is that her community involvement would bring the board's attention to issues that would have otherwise gone unheard.

Commissioner Palega asked if members of the community were notified that this position was vacant. Mr. Monsanto answered that the Plaza East residents recommended some people in the community. They were asked to join, but were unavailable to do so. Commissioner Palega asked if the local church was asked for nominations. Mr. Monsanto answered that he was unsure because it was the job of the Tenant's Association to supply the names of possible candidates. Commissioner Palega stated that his concern was that the community was properly notified so that it wouldn't come back as an issue later. Commissioner Palega was concerned that the community would thing that Ms. Burns didn't understand their issues at night or on the weekends due to her Napa safe haven. Mr. Monsanto responded that the appointment was at the pleasure of the Commission and they had the right to deny it. Commissioner Palega stated that he wanted Ms. Burns to fully understand the situation she was volunteering for and that it may not be as pleasant as the meetings she is used to attending. Her position is not exempt from public ridicule and her place of employment could possibly be affected by it. Mr. Fortner agreed with Commissioner Palega's point and asked Ms. Burns if she

believed she was tough enough for the job and if she was ready for the possibility of public ridicule. Ms. Burns answered yes and that she appreciated the point being brought to light. Ms. Burns stated that she believed the appointment was an important one and that her involvement could make a difference.

President Lee suggested appointing Ms. Burns for a 2-year term. Mr. Fortner responded that the corporation bylaws would have to be amended in order to do that. Mr. Monsanto stated that term limits could definitely be investigated as an option for the future. President Lee stated that it would only be fair for a term limit to evaluate the person serving as an appointee.

Commissioner Woodruff asked how many were on the board and if either had term limits. Mr. Monsanto answered that there are seven members and none have a term limit. The staff's appointments are according to their position and not necessarily the person.

Commissioner Palega suggested the Agency Counsel draft an amendment to the bylaws to institute term limits. President Lee asked for a review within six months to a year. Mr. Fortner stated that he didn't think there would be any problem in amending the bylaws to institute term limits.

Commissioner Palega moved to approve Resolution No. 5152 as amended. Commissioner Woodruff seconded the motion. The motion to pass Resolution No. 5152 was unanimously passed.

Resolution No. 5153

(B) RESOLUTION AUTHORIZING THE APPOINTMENT OF THE COMMISSIONER REPRESENTATIVE TO THE PLAZA EAST HOUSING CORPORATION BOARD OF DIRECTORS

Juan Monsanto, Planning and Program Development Manager reported that the position would be a voting member of the board of directors of the Plaza East Housing Corporation. Mr. Monsanto stated that the candidate is Commissioner Betty Smith.

Commissioner Palega moved to approve Resolution No. 5153. Commissioner Woodruff seconded the motion to approve Resolution No. 5153. The motion to approve Resolution No. 5153 was unanimously approved.

Commissioner Smith thanked the Commission for her appointment to the board and vowed to do her best as a member.

12. PUBLIC COMMENTS ON ITEMS NOT ON AGENDA

There were no public comments on items not on the agenda.

13. COMMISSIONER COMMENTS AND REPORTS

Commissioner Palega encouraged staff not to forget about the rest of the city when making improvements. Commissioner Palega reported that he had met with Police Chief Fong and Deputy Director Naja Boyd and asked the Commission and staff to think about recommending to the Board of Supervisors instituting a citywide curfew. Commissioner Palega stated that some of the homicides are committed by 13 and 14 year olds and a curfew could make a significant difference in young people being on the street. Mr. Fortner stated that this could be a resolution for the next Commission meeting. Commissioner Palega stated that he expected the Agency Counsel to collaborate with the Chief and Deputy Chief of Police to make the recommendation and bring it back to the Commission for approval.

Commissioner Smith stated that the Memorial Service was a success and a lovely program. Commissioner Smith thanked the Housing Authority staff for participating and helping. Commissioner Smith stated that she looked forward to doing it again and expected an even better turn out. Commissioner Smith requested that the Commission have another meeting with the Police Commission. Mr. Fortner responded that staff is in the process of organizing the joint meeting, but due to their new appointments, it has been very difficult to get on their calendar. Commissioner Palega echoed the request.

Commissioner Smith expressed concerns about the victims of Hayes Valley receiving counseling after the violence that just occurred in the area. Mr. Fortner responded that none of the people murdered were on a lease with the SFHA. Commissioner Woodruff asked that the ages be included in the reports of homicides occurring on SFHA property.

14. ADJOURNMENT

There being no further business to come before the Commission, Commissioner Woodruff moved to adjourn the meeting. Commissioner Palega seconded the motion. President Lee adjourned the regularly scheduled meeting of June 10, 2004 at 5:25 p.m.

Gregg Fortner, Secretary/Executive Director

Julie Lee, President

SAN FRANCISCO HOUSING AUTHORITY

440 Turk Street • San Francisco CA • 94102 • (415) 554-1200

NOTICE

THE REGULARLY SCHEDULED MEETING OF THE
SAN FRANCISCO HOUSING AUTHORITY COMMISSION
WILL BE HELD ON THURSDAY, JUNE 24, 2004 AT 4:00 P.M.
AT 440 TURK STREET, SAN FRANCISCO, CALIFORNIA, 94102

A G E N D A
June 24, 2004

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1. ROLL CALL

   Julie Lee, President
   George R. Brown, Vice President
   Sululagi Palega, Sr., Commissioner
   Betty J. Smith, Commissioner
   Neola Gans, Commissioner
   Rev. George Woodruff, Commissioner

2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES

   - June 10, 2004 Commission Meeting

4. GENERAL COMMUNICATIONS

5. REPORT OF SECRETARY

6. COMMITTEE REPORTS

   Diversity Committee – Meeting of June 17, 2004
   Finance Committee – Nothing to Report
   Personnel Committee – Nothing to Report

7. REPORT OF AGENCY COUNSEL

8. TENANT REPRESENTATIVE REPORT:
City Wide Council - Senior/Disabled
Public Housing Tenants Association (PHTA)

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

10. UNFINISHED BUSINESS - NONE

11. NEW BUSINESS

(A) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) THE AUTHORITY'S ANNUAL PLAN AS MANDATED BY SECTION 511 OF THE QUALITY HOUSING AND WORK RESPONSIBILITY ACT OF 1998

(B) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A LETTER OF AGREEMENT WITH THE SHERIFF'S DEPARTMENT FOR THE CITY AND COUNTY OF SAN FRANCISCO TO OBTAIN CRIMINAL HISTORY INFORMATION ON PROSPECTIVE RESIDENTS AND EMPLOYEES IN AN AMOUNT NOT TO EXCEED $73,681

(C) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH SONOMARIN INC. FOR THE HEATING AND DOMESTIC HOT WATER BOILERS REPLACEMENT WORK AT CAL 1-31, 25 SANCHEZ STREET, IN AN AMOUNT NOT TO EXCEED $237,818.00

(D) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH KITECH SECURITY SYSTEMS, INC. FOR THE ACCESSIBLE ENTRY SYSTEM REPLACEMENT WORK AT CAL 1-18(1), J.F.K. TOWERS; CAL 1-19(1), 990 PACIFIC AVENUE; CAL 1-23, 1880 PINE STREET; CAL 1-28, 666 ELLIS STREET; CAL 1-29, 345 ARGUELLO BLVD.; CAL 1-31, 25 SANCHEZ STREET; CAL 1-32, 1750 BUSH STREET; CAL 1-35, 2698 CALIFORNIA STREET, IN AN AMOUNT NOT TO EXCEED $93,000.00

(E) RESOLUTION TO ACCEPT 2004 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING AND ACKNOWLEDGE AWARENESS OF RESPONSIBILITIES AND LIMITATIONS FOR ROOFING REPLACEMENT AND 504/ADA IMPROVEMENTS AT THE MILTON MEYER RECREATION CENTER, LOCATED AT 195 KISKA AVE., AT CAL 1-17A, HUNTERS POINT; AND THE CONSTRUCTION OF A YOUTH CENTER AT 795 PACIFIC AVE., AT CAL 1-18 (6), PING YUEN NORTH

(F) RESOLUTION AUTHORIZING THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO TO HOLD A TEFRA (TAX EQUITY AND FISCAL RESPONSIBILITY ACT OF 1982) HEARING IN CONNECTION WITH THE PROPOSED ISSUANCE BY THE AUTHORITY OF MULTIFAMILY REVENUE REFUNDING BONDS FOR THE VALENCIA GARDENS HOPE VI NEW HOUSING DEVELOPMENT

(G) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT A RENTAL TERM SHEET TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ("HUD") FOR THE VALENCIA GARDENS HOPE VI REVITALIZATION

(H) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXPEND AN AMOUNT NOT TO EXCEED $98,000 FROM THE 2002 CAPITAL FUND PROGRAM FOR THE IMMEDIATE REVITALIZATION OF A PORTION OF THE SUNNYDALE GROUNDS WITH A NEW BASKETBALL COURT, CHILDREN'S PLAY AREA, WHEELCHAIR ACCESSIBILITY AND OTHER IMPROVEMENTS AS NECESSARY

12. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

13. COMMISSIONER'S COMMENT AND REPORT

14. ADJOURNMENT

GREGG FORTNER, Secretary/Executive Director

A

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94112 • (415) 554-1200

DATE: **June 18, 2004**

TO: **San Francisco Housing Authority Commission**

Julie Lee, President
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: **Gregg Fortner, Executive Director**

SUBJECT: **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT TO HUD THE AUTHORITY'S APPROVED ANNUAL PLAN AS MANDATED BY SECTION 511 OF THE QUALITY HOUSING AND WORK RESPONSIBILITY ACT OF 1998**

OVERVIEW

Section 511 of the *Quality Housing and Work Responsibility Act (QHWRA)* of 1998 requires all public housing authorities to submit "annual plans" to the U.S. Department of Housing And Urban Development (HUD) prior to the end of each fiscal year.

ANNUAL PLAN

The Annual Plan serves as an instrument for future planning for the San Francisco Housing Authority. While compliance is mandatory, as described in the QHWRA, an annual plan is a critical tool in a public housing authority's efforts to continue to be a healthy and successful housing agency. The Housing Authority's current Annual Plan outlines the goals and objectives for the next fiscal year regarding the following items:

1. Statement of Needs
2. Statement of Financial Resources
3. Agency plan for implementing federally mandated policies in the following areas:
    a. Admissions and Continued Occupancy Policy
    b. Rent Determination
    c. Operations Management
    d. Grievance Procedure
    e. Capital Improvements
    f. Demolition/Disposition of Distressed Properties
    g. Designation of Public Housing for Elderly/Disabled Families
    h. Conversion of Public Housing
    i. Homeownership
    j. Community Service and Self-Sufficiency
    k. Safety and Crime
    l. Pet Policy
    m. Civil Rights Certification
    n. Annual Audit
    o. Asset Management
    p. Section 8 Administrative Plan

TIME FRAME FOR SUBMISSION OF THE ANNUAL PLAN

The completed and Board of Commissioners-approved plan must be electronically submitted to HUD at least 75 days before the end of the fiscal year (September 30, 2004). HUD must receive the document by July 15, 2004.

Federal law requires the SFHA to advertise the notice of a public hearing to divulge contents of the proposed annual plan at least 45 days before the scheduled public hearing. The San Francisco Housing Authority accomplished this task and held public hearings on April 12, 2004, and May 20, 2004. During these two-hour meetings, Section 8 and public housing residents as well as members of community organizations and government agencies had an opportunity to listen to Housing Authority staff members explain components of the proposed annual plan.

Housing Authority staff members also answered the questions of residents and community members. In addition to English, Housing Authority staffers translated the meeting proceedings into the following languages: Spanish, Chinese, Vietnamese and Russian.

Additionally, the SFHA coordinated three Resident Advisory Board (RAB) meetings. In order to gain more Annual Plan comments and input, the SFHA also held two meetings with community-based organizations. People residing in public housing family and senior/disabled developments as well as Section 8 residents participated in the public hearings and RAB meetings. Through these meetings, the SFHA made every effort to include residents, community advocates and the general public in the planning process.

OBJECTIVE

The objective of this resolution is to ensure that the San Francisco Housing Authority complies with the QHWRA's mandates as they relate to the electronic submission of the Board of Commissioners-approved Annual Plan.

PRESENT SITUATION

The SFHA has completed the requisite Annual Plan "template" for transmission to HUD. Staff members have compiled all necessary supporting documentation, and mandatory public hearings have been held. The SFHA must submit the template for HUD review no later July 15, 2004. Late submission could result in sanctions and the possible withholding of future *Capital Fund Program* payments until HUD has received and approved the Annual Plan.

ANTICIPATED OUTCOME

It is anticipated that this resolution will ensure that the SFHA will comply with QHWRA mandates regarding plan submission and that the Plan will provide a detailed blueprint for the next fiscal year.

WHO BENEFITS

This resolution benefits the SFHA by ensuring compliance with statutory requirements resulting in timely receipt of annual funding beginning October 1, 2004.

BUDGET CONSIDERATION

This resolution has direct budgetary impact on the SFHA. If the Board of Commissioners were not to approve the Annual Plan, and staff does not electronically transmit to HUD the template, HUD could withhold the SFHA's future Capital Fund Program allocation. Possible HUD-imposed sanctions could result in the loss or delay of future grant funds being awarded to the SFHA.

IMPLEMENTATION

The Board of Commissioners must authorize the transmission of the SFHA's template, as mandated by HUD.

RECOMMENDATION

It is recommended that the Board of Commissioners authorize the Executive Director to submit to HUD the SFHA's Annual Plan, herein approved by Resolution, as mandated by Section 511 of the Quality Housing and Work Responsibility Act of 1998.

RESOLUTION NO: 5154
DATE ADOPTED: 6/24/04

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) THE AUTHORITY'S ANNUAL PLAN AS MANDATED BY SECTION 511 OF THE QUALITY HOUSING AND WORK RESPONSIBILITY ACT OF 1998

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) adopted the Quality Housing and Work Responsibility Act (QHWRA) of 1998; and

WHEREAS, Section 511 of the Quality Housing and Work Responsibility Act mandates that a public housing authority must submit an annual plan seventy-five days before the end of its fiscal year; and

WHEREAS, the San Francisco Housing Authority recognizes the need to comply with the QHWRA mandate; and

WHEREAS, the SFHA held public meetings on April 12, 2004, and May 20, 2004, regarding its Annual Plan;

NOW, THEREFORE BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Board of Commissioners has reviewed the Annual Plan and approves it as presented.

2. The Executive Director is authorized to submit the Annual Plan to HUD as required under the QHWRA.

APPROVED AS TO FORM AND LEGALITY:

Donna Martin
General Counsel

6-21-04
Date

REVIEWED BY:

Gregg Fortner
Executive Director

6/21/04
Date

SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO • CALIFORNIA • 94102 • (415) 554-1200

CERTIFICATE

I, Julie Lee, duly elected President of the Board of Commissioners of the Housing Authority of the City and County of San Francisco, do hereby certify that the following was adopted at the Regular Meeting of the Commission held on June 24, 2004:

RESOLUTION NO. 5154

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) THE AUTHORITY'S ANNUAL PLAN AS MANDATED BY SECTION 511 OF THE QUALITY HOUSING AND WORK RESPONSIBILITY ACT OF 1998

Attached is a true and correct copy of the Resolution as adopted at the said meeting, on file and on record as adopted by the following vote of the Members:

FOR ADOPTION:

Julie Lee
George R. Brown
Sululagi Palega, Sr.
Betty J. Smith
Neola Gans
George Woodruff

AGAINST ADOPTION:

ABSENT (EXCUSED):

IN TESTIMONY, WHEREOF, I have hereto set my hand and seal of said Authority this date: December 9, 2004.

Julie Lee, President
SFHA Commission

OMB Approval No: 2577-0226
(exp. 02/28/2006)

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

PHA Plans

5 Year Plan for Fiscal Years 2005- 2009
Annual Plan for Fiscal Year 2005

DRAFT

NOTE: THIS PHA PLANS TEMPLATE (HUD 50075) IS TO BE COMPLETED IN ACCORDANCE WITH INSTRUCTIONS LOCATED IN APPLICABLE PIH NOTICES

PHA Plan
Agency Identification

PHA Name: SAN FRANCISCO HOUSING AUTHORITY

PHA Number: CA 001

PHA Fiscal Year Beginning: (10/2004)

Public Access to Information

Information regarding any activities outlined in this plan can be obtained by contacting: (select all that apply)

☒ Main administrative office of the PHA --- 440 Turk Street, Reception Desk
☒ PHA development management offices
District Offices:
District 1 --- 90 Kiska Road
District 2 --- 2501 Sutter Street
District 3 --- 1010 Webster Street
☐ PHA local offices
☒ Section 8 Office --- 1815 Egbert Avenue

Display Locations For PHA Plans and Supporting Documents

The PHA Plans (including attachments) are available for public inspection at: (select all that apply)

☒ Main administrative office of the PHA
☒ PHA development management offices
District Offices:
District 1 --- 90 Kiska Road
District 2 --- 2501 Sutter Street
District 3 --- 1010 Webster Street
☐ PHA local offices
☐ Main administrative office of the local government
☐ Main administrative office of the County government
☐ Main administrative office of the State government
☐ Public library
☒ PHA website
☒ Other (list below) Section 8 Administrative Office --- 1815 Egbert Avenue

PHA Plan Supporting Documents are available for inspection at: (select all that apply)

☒ Main business office of the PHA --- 440 Turk Street

☒ PHA development management offices

District Offices:

District 1 --- 90 Kiska Road

District 2 --- 2501 Sutter Street

District 3 --- 1010 Webster Street

☒ Other (list below) Section 8 Administrative Office --- 1815 Egbert Avenue

5-YEAR PLAN
PHA FISCAL YEARS 2000 - 2004
[24 CFR Part 903.5]

A. Mission

State the PHA's mission for serving the needs of low-income, very low income, and extremely low-income families in the PHA's jurisdiction. (select one of the choices below)

☐ The mission of the PHA is the same as that of the Department of Housing and Urban Development: To promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination.

☒ The PHA's mission is to continue to provide for 11,720 public housing residents, and 22,278 Section 8 participants, and to serve the low-income households of any private or non-profit housing developers in the City, especially working families. A primary goal of the Authority is to continue to provide housing for these low-income households while improving housing and economic opportunities for residents and maintaining high standards of property management, fiscal management and service delivery. Coordination with City efforts and collaborations with other public and private entities will continue to be emphasized.

B. Goals

The goals and objectives listed below are derived from HUD's strategic Goals and Objectives and those emphasized in recent legislation. PHAs may select any of these goals and objectives as their own, or identify other goals and/or objectives. Whether selecting the HUD-suggested objectives or their own, **PHAS ARE STRONGLY ENCOURAGED TO IDENTIFY QUANTIFIABLE MEASURES OF SUCCESS IN REACHING THEIR OBJECTIVES OVER THE COURSE OF THE 5 YEARS.** (Quantifiable measures would include targets such as: numbers of families served or PHAS scores achieved.) PHAs should identify these measures in the spaces to the right of or below the stated objectives.

HUD Strategic Goal: Increase the availability of decent, safe, and affordable housing.

☒ PHA Goal: Expand the supply of assisted housing.
Objectives:
- ☒ Apply for additional rental vouchers:
- ☒ Reduce public housing vacancies:
- ☒ Leverage private or other public funds to create additional housing opportunities:
- ☒ Acquire or build units or developments
- ☒ Other (list below)

  Locate Infill affordable and market rate housing, where density permits, at family and elderly/disabled public housing units.

  Use Section 8 Project-Based Voucher Program assistance in conjunction with HOPE VI revitalization efforts to increase supply of housing units.

☒ PHA Goal: Improve the quality of assisted housing
Objectives:
- ☒ Improve public housing management: (PHAS score)
- ☒ Improve voucher management: (SEMAP score)
- ☒ Increase customer satisfaction:
- ☒ Concentrate on efforts to improve specific management functions: (list; e.g., public housing finance; voucher unit inspections)
- ☒ Renovate or modernize public housing units:
- ☒ Demolish or dispose of obsolete public housing:
- ☒ Provide replacement public housing:
- ☒ Provide replacement vouchers:
- ☒ Other: (list below)

  Partner with locally-based developers, non-profit community and supportive service organizations and City agencies

☒ PHA Goal: Increase assisted housing choices
Objectives:
- ☒ Provide voucher mobility counseling:
- ☒ Conduct outreach efforts to potential voucher landlords
- ☒ Increase voucher payment standards
- ☒ Implement voucher homeownership program:
- ☒ Implement public housing or other homeownership programs:
- ☐ Implement public housing site-based waiting lists:
- ☐ Convert public housing to vouchers:
- ☒ Other: (list below)

  (1) Voucher Homeownership in conjunction with comprehensive revitalization, infill housing, partnerships with Habitat for Humanity, City agencies, Family Self-Sufficiency (FSS) and other homeownership programs.

  (2) Use Section 8 Project-Based Voucher Program assistance in conjunction with HOPE VI revitalization efforts to increase supply of housing units.

  (3) Utilize to the fullest extent possible the Section 8 Project-Based Voucher Program

HUD Strategic Goal: Improve community quality of life and economic vitality

☒ PHA Goal: Provide an improved living environment
Objectives:
- ☐ Implement measures to deconcentrate poverty by bringing higher income public housing households into lower income developments:
- ☒ Implement measures to promote income mixing in public housing by assuring access for lower income families into higher income developments:

☒ Implement public housing security improvements:
☒ Designate developments or buildings for particular resident groups (elderly, persons with disabilities)
☒ Other: (list below)
(1) Deconcentrate poverty by integrating working low-income and middle-income households into lower income density developments where more housing --- with other ancillary non-residential uses --- can be added to the site, creating a mixed-income, mixed-use community.
(2) Develop better one-on-one relationships with communities surrounding public and senior housing sites.

HUD Strategic Goal: Promote self-sufficiency and asset development of families and individuals

☒ PHA Goal: Promote self-sufficiency and asset development of assisted households

Objectives:
☒ Increase the number and percentage of employed persons in assisted families:
☒ Provide or attract supportive services to improve assistance recipients' employability:
☒ Provide or attract supportive services to increase independence for the elderly or families with disabilities.
☒ Other: (list below)
(1) Identify and implement programs with community-based partners that can promote family self-sufficiency, including first time homeownership opportunities for low-income families.
(2) Apply for as many SuperNOFA grants as applicable, including the ROSS grant funds.
(3) In addition to Section 3 goals, the SFHA has a policy that at least 25% of total workforce hours, funded through contracts with outside sources awarded through a bid process, will be made available to residents of public housing.

HUD Strategic Goal: Ensure Equal Opportunity in Housing for all Americans

☒ PHA Goal: Ensure equal opportunity and affirmatively further fair housing

Objectives:
☒ Undertake affirmative measures to ensure access to assisted housing regardless of race, color, religion national origin, sex, familial status, and disability:

- ☒ Undertake affirmative measures to provide a suitable living environment for families living in assisted housing, regardless of race, color, religion national origin, sex, familial status, and disability:
- ☒ Undertake affirmative measures to ensure accessible housing to persons with all varieties of disabilities regardless of unit size required:
- ☒ Other: (list below)
  The SFHA has the Office of Fair Housing Inquiries to respond to residents and applicants relating to possible discrimination-based incidents and the implementation of procedures for addressing allegations of incidents with a perceived or actual discriminatory dimension.

Other PHA Goals and Objectives: (list below)

Annual PHA Plan
PHA Fiscal Year 2005
[24 CFR Part 903.7]

i. Annual Plan Type:
Select which type of Annual Plan the PHA will submit.

☒ **Standard Plan**

Streamlined Plan:

- ☐ **High Performing PHA**
- ☐ **Small Agency (<250 Public Housing Units)**
- ☐ **Administering Section 8 Only**

☐ **Troubled Agency Plan**

ii. Executive Summary of the Annual PHA Plan
[24 CFR Part 903.7 9 (r)]
Provide a brief overview of the information in the Annual Plan, including highlights of major initiatives and discretionary policies the PHA has included in the Annual Plan.

Executive Summary

Established in 1938, the San Francisco Housing Authority is located in the City and County of San Francisco. The Authority manages 6451 units of public housing stock in 53 developments scattered throughout the city. It is one of the largest public housing agencies in the nation, serving 33,998 eligible low- and very-low income residents. The Authority houses very low-income families, and without its assistance, many of San Francisco's residents, who come from many different ethnic backgrounds and who create the city's unique flavor, would be forced to live elsewhere. As a priority, the SFHA is seeking ways to address the growing needs of working families in addressing housing options and home ownership opportunities.

Given the age and condition of its current housing stock, the Authority could lose as much as three percent (3%) of its viable housing units each year. A large part of the problem is the extraordinary cost of maintaining these units as safe and livable; given current budget restrictions, gang and crime rates in the community, and strict federal regulations regarding fiscal responsibilities. Drastic measures must be taken and alternatives must be found to address these conditions in order to maintain safe and affordable housing for low-income residents of the city.

The Authority has six major goals it is seeking to accomplish in the short- and long-term future. First, it is committed to the preservation and rehabilitation of its existing public housing stock. The Authority will continue to seek funding sources, in addition to those provided through formula grants provided by the Department of Housing and

Urban Development, to address the physical needs of the various family and senior/disabled housing developments.

Secondly, the Authority is committed to addressing the growing need for low-income housing in the San Francisco area by developing ways to increase the public housing stock through creative partnerships with local developers and investors for the benefit of all low-income San Francisco residents.

Thirdly, SFHA is working towards developing a comprehensive plan to address home ownership needs for low-income residents in the San Francisco area. Two of the proposed HOPE VI applications include combinations of replacement housing and home ownership options for low-income residents. We will continue to explore other resources to make low-income home ownership a reality for the population it serves.

Fourth, the Authority is dedicated to providing a safe and secure environment for residents in public housing developments. It is our belief that no one, especially those in subsidized housing, should be in peril, physical or emotional. Therefore, SFHA has established working relationships, solidified in numerous Memoranda of Understanding, with contract security companies, local social service agencies, and city agencies, in order to increase the safety and security of all residents in public housing. It will continue to work with local agencies to improve communications and enhance relationships to the betterment of the mutual clients we serve.

Fifth, SFHA is committed to finding new and better ways to encourage and support resident businesses, increased job opportunities, access to quality health care and dependent care, enhanced transportation options, and other social service needs. Through partnerships with local social service and city agencies, the Authority will increase the opportunity for public housing residents to improve their quality of life, in or out of subsidized housing.

Finally, the SFHA has implemented the Community Service and Self-Sufficiency Requirement, section 512 of the Quality Housing and Work Responsibility Act of 1998, as specified (NOTICE PIH 2003-17 HA) by the U.S. Department of Housing and Urban Development.

iii. Annual Plan Table of Contents

[24 CFR Part 903.7 9 ®]

Provide a table of contents for the Annual Plan, including attachments, and a list of supporting documents available for public inspection.

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Attachments

Indicate which attachments are provided by selecting all that apply. Provide the attachment's name (A, B, etc.) in the space to the left of the name of the attachment. Note: If the attachment is provided as a **SEPARATE** file submission from the PHA Plans file, provide the file name in parentheses in the space to the right of the title.

Required Attachments:

- ☒ Admissions Policy for Deconcentration
- ☒ FY 2000 Capital Fund Program Annual Statement
- ☐ Most recent board-approved operating budget (Required Attachment for PHAs that are troubled or at risk of being designated troubled ONLY)

Optional Attachments:

- ☒ Attachment II --- PHA Management Organizational Chart
- ☐ FY 2005 Capital Fund Program 5 Year Action Plan
- ☐ Public Housing Drug Elimination Program (PHDEP) Plan
- ☒ Attachment VI --- Comments of Resident Advisory Board or Boards (must be attached if not included in PHA Plan text)

☒ Other (List below, providing each attachment name)

(1) Attachment IV ---Resident Assessment SubSystem Follow-up Activities Plan

(2) Attachment III --- Preventative Maintenance Schedule

(3) Attachment I --- Flat Rent Analysis

(4) Attachment V --- Capital Fund Program Information

(5) Attachment VII --- PHA Governing Board --- Resident Participation

Supporting Documents Available for Review

Indicate which documents are available for public review by placing a mark in the "Applicable & On Display" column in the appropriate rows. All listed documents must be on display if applicable to the program activities conducted by the PHA.

List of Supporting Documents Available for Review		
Applicable & On Display	**Supporting Document** ***Template & supporting Documents on display at five locations: Administrative Office at 440 Turk Street, Section 8 Office at 1815 Egbert Avenue, PH District Office at 90 Kiska Road, PH District Office at 1010 Webster Street, and PH District Office at 2501 Sutter Street***	**Applicable Plan Component**
√	PHA Plan Certifications of Compliance with the PHA Plans and Related Regulations	5 Year and Annual Plans
√	State/Local Government Certification of Consistency with the Consolidated Plan	5 Year and Annual Plans
√	Fair Housing Documentation: Records reflecting that the PHA has examined its programs or proposed programs, identified any impediments to fair housing choice in those programs, addressed or is addressing those impediments in a reasonable fashion in view of the resources available, and worked or is working with local jurisdictions to implement any of the jurisdictions' initiatives to affirmatively further fair housing that require the PHA's involvement.	5 Year and Annual Plans
√	Consolidated Plan for the jurisdiction/s in which the PHA is located (which includes the Analysis of Impediments to Fair Housing Choice (AI))) and any additional backup data to support statement of housing needs in the jurisdiction	Annual Plan: Housing Needs
	Most recent board-approved operating budget for the public housing program	Annual Plan: Financial Resources;
√	Public Housing Admissions and (Continued) Occupancy Policy (A&O), which includes the Tenant Selection and Assignment Plan [TSAP]	Annual Plan: Eligibility, Selection, and Admissions Policies
√	Section 8 Administrative Plan	Annual Plan: Eligibility, Selection, and Admissions Policies
N/A	Public Housing Deconcentration and Income Mixing Documentation: 1. PHA board certifications of compliance with deconcentration requirements (section 16(a) of the US	Annual Plan: Eligibility, Selection, and Admissions Policies

List of Supporting Documents Available for Review		
Applicable & On Display	**Supporting Document** ***Template & supporting Documents on display at five locations: Administrative Office at 440 Turk Street, Section 8 Office at 1815 Egbert Avenue, PH District Office at 90 Kiska Road, PH District Office at 1010 Webster Street, and PH District Office at 2501 Sutter Street***	**Applicable Plan Component**
	Housing Act of 1937, as implemented in the 2/18/*99 Quality Housing and Work Responsibility Act Initial Guidance; Notice* and any further HUD guidance) and 2. Documentation of the required deconcentration and income mixing analysis	
√	Public housing rent determination policies, including the methodology for setting public housing flat rents ☒ check here if included in the public housing A & O Policy	Annual Plan: Rent Determination
√	Schedule of flat rents offered at each public housing development ☒ check here if included in the public housing A & O Policy	Annual Plan: Rent Determination
√	Section 8 rent determination (payment standard) policies ☒ check here if included in Section 8 Administrative Plan	Annual Plan: Rent Determination
√	Public housing management and maintenance policy documents, including policies for the prevention or eradication of pest infestation (including cockroach infestation)	Annual Plan: Operations and Maintenance
√	Public housing grievance procedures ☒ check here if included in the public housing A & O Policy	Annual Plan: Grievance Procedures
√	Section 8 informal review and hearing procedures ☒ check here if included in Section 8 Administrative Plan	Annual Plan: Grievance Procedures
√	The HUD-approved Capital Fund/Comprehensive Grant Program Annual Statement (HUD 52837) for the active grant year	Annual Plan: Capital Needs
N/A	Most recent CIAP Budget/Progress Report (HUD 52825) for any active CIAP grant	Annual Plan: Capital Needs
√	Most recent, approved 5 Year Action Plan for the Capital Fund/Comprehensive Grant Program, if not included as an attachment (provided at PHA option)	Annual Plan: Capital Needs
√	Approved HOPE VI applications or, if more recent, approved or submitted HOPE VI Revitalization Plans or any other approved proposal for development of public housing	Annual Plan: Capital Needs
√	Approved or submitted applications for demolition and/or disposition of public housing	Annual Plan: Demolition and Disposition
N/A	Approved or submitted applications for designation of public housing (Designated Housing Plans)	Annual Plan: Designation of Public Housing
N/A	Approved or submitted assessments of reasonable revitalization of public housing and approved or submitted conversion plans prepared pursuant to section 202 of the	Annual Plan: Conversion of Public Housing

List of Supporting Documents Available for Review		
Applicable & On Display	**Supporting Document** ***Template & supporting Documents on display at five locations: Administrative Office at 440 Turk Street, Section 8 Office at 1815 Egbert Avenue, PH District Office at 90 Kiska Road, PH District Office at 1010 Webster Street, and PH District Office at 2501 Sutter Street***	**Applicable Plan Component**
	1996 HUD Appropriations Act	
√	Approved or submitted public housing homeownership programs/plans	Annual Plan: Homeownership
√	Policies governing any Section 8 Homeownership program ☒ check here if included in the Section 8 Administrative Plan	Annual Plan: Homeownership
√	Any cooperative agreement between the PHA and the TANF agency	Annual Plan: Community Service & Self-Sufficiency
√	FSS Action Plan/s for public housing and/or Section 8	Annual Plan: Community Service & Self-Sufficiency
	Most recent self-sufficiency (ED/SS, TOP or ROSS or other resident services grant) grant program reports	Annual Plan: Community Service & Self-Sufficiency
N/A	The most recent Public Housing Drug Elimination Program (PHEDEP) semi-annual performance report for any open grant and most recently submitted PHDEP application (PHDEP Plan)	Annual Plan: Safety and Crime Prevention
√	The most recent fiscal year audit of the PHA conducted under section 5(h)(2) of the U.S. Housing Act of 1937 (42 U. S.C. 1437c(h)), the results of that audit and the PHA's response to any findings	Annual Plan: Annual Audit
N/A	Troubled PHAs: MOA/Recovery Plan	Troubled PHAs
	Other supporting documents (optional) (list individually; use as many lines as necessary)	(specify as needed)

1. Statement of Housing Needs

[24 CFR Part 903.7 9 (a)]

A. Housing Needs of Families in the Jurisdiction/s Served by the PHA

Based upon the information contained in the Consolidated Plan/s applicable to the jurisdiction, and/or other data available to the PHA, provide a statement of the housing needs in the jurisdiction by completing the following table. In the "Overall" Needs column, provide the estimated number of renter families that have housing needs. For the remaining characteristics, rate the impact of that factor on the housing needs for each family type, from 1 to 5, with 1 being "no impact" and 5 being "severe impact." Use N/A to indicate that no information is available upon which the PHA can make this assessment.

Housing Needs of Families in the Jurisdiction by Family Type							
Family Type	Overall	Afford-ability	Supply	Quality	Access-ibility	Size	Loca-tion
Income <= 30% of AMI	112,951	5	5	5	5	5	5
Income >30% but <=50% of AMI	195,519	5	5	5	5	5	5
Income >50% but <80% of AMI	222,783	5	5	5	5	5	5
Elderly	180,719	5	5	5	5	5	5
Families with Disabilities	142,160	5	5	5	5	5	5
Race/Ethnicity *Which One?*	364,330 Asian	5	5	5	5	5	5
Race/Ethnicity *Which One?*	82,803 African American	5	5	5	5	5	5
Race/Ethnicity *Which One?*	223,250 Caucasian	5	5	5	5	5	5

What sources of information did the PHA use to conduct this analysis? (Check all that apply; all materials must be made available for public inspection.)

- ☒ Consolidated Plan of the Jurisdiction/s
  Indicate year: 2002
- ☒ U.S. Census data: the Comprehensive Housing Affordability Strategy ("CHAS") dataset and 2000 U.S. Census Data
- ☐ American Housing Survey data
  Indicate year:
- ☐ Other housing market study
  Indicate year:
- ☐ Other sources: (list and indicate year of information)

B. Housing Needs of Families on the Public Housing and Section 8 Tenant- Based Assistance Waiting Lists

State the housing needs of the families on the PHA's waiting list/s. **Complete one table for each type of PHA-wide waiting list administered by the PHA.** PHAs may provide separate tables for site-based or sub-jurisdictional public housing waiting lists at their option.

Housing Needs of Families on the Waiting List

Waiting list type: (select one)

- ☐ Section 8 tenant-based assistance
- ☒ Public Housing
- ☐ Combined Section 8 and Public Housing
- ☐ Public Housing Site-Based or sub-jurisdictional waiting list (optional)

If used, identify which development/subjurisdiction:

	# of families	% of total families	Annual Turnover
Waiting list total	26,740		400
Extremely low income <=30% AMI	17,939	100%	
Very low income (>30% but <=50% AMI)	551		
Low income (>50% but <80% AMI)	30		
Families with children	8,942	49.8%	
Elderly families	8,997	50.2%	
Families with Disabilities	5,866		
Race/Caucasian	8371		
Race/African Amer.	7993		
Race/Asian/Pacific Islander	9984		
Race/Native Amer.	392		

Housing Needs of Families on the Waiting List			
Characteristics by Bedroom Size	PH	PH	PH (Average)
0 BR	4,077	22.7%	36
1 BR	6,298	35.1%	37
2 BR	4,996	27.8%	145
3 BR	2,283	12.7%	61
4 BR	274	1.6%	12
5 BR	8	-	4
5+ BR	3	-	-

Is the waiting list closed (select one)? ☒ No ☐ Yes

If yes:

How long has it been closed (# of months)?

Does the PHA expect to reopen the list in the PHA Plan year? ☐ No ☐ Yes

Does the PHA permit specific categories of families onto the waiting list, even if generally closed? ☐ No ☐ Yes

Housing Needs of Families on the Waiting List

Waiting list type: (select one)

☒ Section 8 tenant-based assistance

☐ Public Housing

☐ Combined Section 8 and Public Housing

☐ Public Housing Site-Based or sub-jurisdictional waiting list (optional)

If used, identify which development/subjurisdiction:

	# of families	% of total families	Annual Turnover
Waiting list total	26,119		
Extremely low income <=30% AMI	23,740	90.9%	
Very low income (>30% but <=50% AMI)	2,257	8.6%	
Low income (>50% but <80% AMI)	98	0.5%	
Families with children	8,301	31.78%	
Elderly families	6,626	25.37%	
Families with Disabilities	6168	23.61%	
Race/Caucasian	7616	29.16%	

Housing Needs of Families on the Waiting List			
Race/African Amer.	8149	31.2%	
Race/Native Amer.	385	1.47%	
Race/Asian	9659	36.98%	
Not Declared	310	1.19%	
Characteristics by Bedroom Size (Public Housing Only)			
1BR			
2 BR			
3 BR			
4 BR			
5 BR			
5+ BR			

Is the waiting list closed (select one)? ☐ No ☒ Yes

If yes:

How long has it been closed (# of months)? 34 months or since Sept. 21, 2001

Does the PHA expect to reopen the list in the PHA Plan year? ☒ No ☐ Yes

Does the PHA permit specific categories of families onto the waiting list, even if generally closed? ☒ No ☐ Yes

C. Strategy for Addressing Needs

Provide a brief description of the PHA's strategy for addressing the housing needs of families in the jurisdiction and on the waiting list **IN THE UPCOMING YEAR**, and the Agency's reasons for choosing this strategy.

(1) Strategies

Need: Shortage of affordable housing for all eligible populations

Strategy 1. Maximize the number of affordable units available to the PHA within its current resources by:

Select all that apply

☒ Employ effective maintenance and management policies to minimize the number of public housing units off-line

☒ Reduce turnover time for vacated public housing units

☒ Reduce time to renovate public housing units

☒ Seek replacement of public housing units lost to the inventory through mixed finance development

☒ Seek replacement of public housing units lost to the inventory through section 8 replacement housing resources

- ☒ Maintain or increase section 8 lease-up rates by establishing payment standards that will enable families to rent throughout the jurisdiction
- ☒ Undertake measures to ensure access to affordable housing among families assisted by the PHA, regardless of unit size required
- ☒ Maintain or increase section 8 lease-up rates by marketing the program to owners, particularly those outside of areas of minority and poverty concentration
- ☒ Maintain or increase section 8 lease-up rates by effectively screening Section 8 applicants to increase owner acceptance of program
- ☒ Participate in the Consolidated Plan development process to ensure coordination with broader community strategies
- ☒ Other (list below)
  - (1) Use Section 8 Project –Based Voucher Program in conjunction with HOPE VI revitalization efforts to increase supply of housing units.
  - (2) In partnership with public/private entities, provide infill housing opportunities utilizing available and underutilized SFHA land.

Strategy 2: Increase the number of affordable housing units by:
Select all that apply

- ☒ Apply for additional section 8 units should they become available
- ☒ Leverage affordable housing resources in the community through the creation of mixed – finance housing
- ☐ Pursue housing resources other than public housing or Section 8 tenant-based assistance.
- ☒ Other: (list below)
  - (1) Use Section 8 Project –Based Voucher Program in conjunction with HOPE VI revitalization efforts to increase supply of housing units.
  - (2) Utilize to the fullest extent possible the Section 8 Project-Based Voucher Program.

Need: Specific Family Types: Families at or below 30% of median

Strategy 1: Target available assistance to families at or below 30 % of AMI
Select all that apply

- ☒ Exceed HUD federal targeting requirements for families at or below 30% of AMI in public housing
- ☒ Exceed HUD federal targeting requirements for families at or below 30% of AMI in tenant-based section 8 assistance
- ☐ Employ admissions preferences aimed at families with economic hardships
- ☐ Adopt rent policies to support and encourage work
- ☐ Other: (list below)

Need: Specific Family Types: Families at or below 50% of median

Strategy 1: Target available assistance to families at or below 50% of AMI
Select all that apply

- ☒ Employ admissions preferences aimed at families who are working
- ☒ Adopt rent policies to support and encourage work
- ☐ Other: (list below)

Need: Specific Family Types: The Elderly
Apply for special purpose vouchers and programs targeted to elderly people should they become available. Also, create partnerships with local development teams to create infill senior housing at specific SFHA sites.

Strategy 1: Target available assistance to the elderly:
Select all that apply

- ☐ Seek designation of public housing for the elderly
- ☒ Apply for special-purpose vouchers targeted to the elderly, should they become available
- ☐ Other: (list below)

Need: Specific Family Types: Families with Disabilities

Strategy 1: Target available assistance to Families with Disabilities:
Select all that apply

- ☐ Seek designation of public housing for families with disabilities
- ☐ Carry out the modifications needed in public housing based on the section 504 Needs Assessment for Public Housing
- ☒ Apply for special-purpose vouchers targeted to families with disabilities, should they become available
- ☐ Affirmatively market to local non-profit agencies that assist families with disabilities
- ☐ Other: (list below)

Need: Specific Family Types: Races or ethnicities with disproportionate housing needs

Strategy 1: Increase awareness of PHA resources among families of races and ethnicities with disproportionate needs:

Select if applicable

- ☒ Affirmatively market to races/ethnicities shown to have disproportionate housing needs
- ☐ Other: (list below)

Strategy 2: Conduct activities to affirmatively further fair housing

Select all that apply

- ☒ Counsel section 8 tenants as to location of units outside of areas of poverty or minority concentration and assist them to locate those units
- ☒ Market the section 8 program to owners outside of areas of poverty /minority concentrations
- ☐ Other: (list below)

Other Housing Needs & Strategies: (list needs and strategies below)

(2) Reasons for Selecting Strategies

Of the factors listed below, select all that influenced the PHA's selection of the strategies it will pursue:

- ☒ Funding constraints
- ☐ Staffing constraints
- ☐ Limited availability of sites for assisted housing
- ☐ Extent to which particular housing needs are met by other organizations in the community
- ☐ Evidence of housing needs as demonstrated in the Consolidated Plan and other information available to the PHA
- ☐ Influence of the housing market on PHA programs
- ☐ Community priorities regarding housing assistance
- ☐ Results of consultation with local or state government
- ☐ Results of consultation with residents and the Resident Advisory Board
- ☐ Results of consultation with advocacy groups
- ☒ Other: (list below)
  - (1) Use Section 8 Project –Based Voucher Program in conjunction with HOPE VI revitalization efforts to increase supply of housing units.
  - (2) Utilize to the fullest extent possible the Section 8 Project-Based Voucher Program.

2. Statement of Financial Resources

[24 CFR Part 903.7 9 (b)]

List the financial resources that are anticipated to be available to the PHA for the support of Federal public housing and tenant-based Section 8 assistance programs administered by the PHA during the Plan year. Note: the table assumes that Federal public housing or tenant based Section 8 assistance grant funds are expended on eligible purposes; therefore, uses of these funds need not be stated. For other funds, indicate the use for those funds as one of the following categories: public housing operations, public housing capital improvements, public housing safety/security, public housing supportive services, Section 8 tenant-based assistance, Section 8 supportive services or other.

Financial Resources: Planned Sources and Uses		
Sources	**Planned $**	**Planned Uses**
1. **Federal Grants (FY 2005 grants)**		
a) Public Housing Operating Fund	$29,358,418	
b) Public Housing Capital Fund	$14,448,125	
c) HOPE VI Revitalization	$20,000,000	Hunters View Revitalization
d) HOPE VI Demolition	$5,000,000	Hunters View Demolition
e) Annual Contributions for Section 8 Tenant-Based Assistance	$128,780,003	
f) Public Housing Drug Elimination Program (including any Technical Assistance funds)	0	
g) Resident Opportunity and Self-Sufficiency Grants	$397,319	
h) Community Development Block Grant	$894,000	
i) HOME		
Other Federal Grants (list below)		
2. Prior Year Federal Grants (unobligated funds only) (list below)		
2002 CFP	$5,143,666	Modernization Activity
2003 CFP	$9,652,110	Modernization Activity
3. Public Housing Dwelling Rental Income		
FY 2004-5 Estimated Annual Rent Roll	$ 16,407,660	Public Housing Management & Maintenance Operations

Financial Resources: Planned Sources and Uses		
Sources	**Planned $**	**Planned Uses**
4. Other income (list below)		
Mod Rehab	$7,553,430	Targeted Programs
New Construction	$6,969,000	Targeted Programs
Substantial Rehab	$3,270,149	Targeted Programs
Pension Fund	$1,015,259	Targeted Programs
Shelter Plus Care (Contract w/DHS)	$3,200,000	Targeted Programs
4. Non-federal sources (list below)		
HOPWA (contract with SFRA)	$ 3,500,000	Targeted Programs
Low Income Housing Tax Credit *	$76,000,000	Targeted Programs
Tax-Exempt Bonds *	$11,000,000	Targeted Programs
Private Mortgage *	$37,000,000	Targeted Programs
Development Partnerships *	$20,000,000	Targeted Programs
Development of Local Funds *	$ 6,000,000	Targeted Programs
Total resources	**$405,589,139**	

* Proposed Leveraged dollars for federal funds

3. PHA Policies Governing Eligibility, Selection, and Admissions

[24 CFR Part 903.7 9 (c)]

A. Public Housing

Exemptions: PHAs that do not administer public housing are not required to complete subcomponent 3A.

(1) Eligibility

a. When does the PHA verify eligibility for admission to public housing? (select all that apply)

☐ When families are within a certain number of being offered a unit: (state number)

☐ When families are within a certain time of being offered a unit: (state time)

☒ Other: (describe) At time of interview

b. Which non-income (screening) factors does the PHA use to establish eligibility for admission to public housing (select all that apply)?

☒ Criminal or Drug-related activity

☒ Rental history

☐ Housekeeping

☐ Other (describe)

c. ☒ Yes ☐ No: Does the PHA request criminal records from local law enforcement agencies for screening purposes?

d. ☒ Yes ☐ No: Does the PHA request criminal records from State law enforcement agencies for screening purposes?

e. ☒ Yes ☐ No: Does the PHA access FBI criminal records from the FBI for screening purposes? (either directly or through an NCIC-authorized source)

(2)Waiting List Organization

a. Which methods does the PHA plan to use to organize its public housing waiting list (select all that apply)

☒ Community-wide list

☐ Sub-jurisdictional lists

☐ Site-based waiting lists

☐ Other (describe)

b. Where may interested persons apply for admission to public housing?

☒ PHA main administrative office

☐ PHA development site management office

☐ Other (list below)

c. If the PHA plans to operate one or more site-based waiting lists in the coming year, answer each of the following questions; if not, skip to subsection **(3) Assignment**

1. How many site-based waiting lists will the PHA operate in the coming year?

2. ☐ Yes ☐ No: Are any or all of the PHA's site-based waiting lists new for the upcoming year (that is, they are not part of a previously-HUD-approved site based waiting list plan)?
   If yes, how many lists?

3. ☐ Yes ☐ No: May families be on more than one list simultaneously
   If yes, how many lists?

4. Where can interested persons obtain more information about and sign up to be on the site-based waiting lists (select all that apply)?
   - ☐ PHA main administrative office
   - ☐ All PHA development management offices
   - ☐ Management offices at developments with site-based waiting lists
   - ☐ At the development to which they would like to apply
   - ☐ Other (list below)

(3) Assignment

a. How many vacant unit choices are applicants ordinarily given before they fall to the bottom of or are removed from the waiting list? (select one)
- ☒ One
- ☐ Two
- ☐ Three or More

b. ☒ Yes ☐ No: Is this policy consistent across all waiting list types?

c. If answer to b is no, list variations for any other than the primary public housing waiting list/s for the PHA:

(4) Admissions Preferences

a. Income targeting:

☒ Yes ☐ No: Does the PHA plan to exceed the federal targeting requirements by targeting more than 40% of all new admissions to public housing to families at or below 30% of median area income?

b. Transfer policies:

In what circumstances will transfers take precedence over new admissions? (list below)

☒ Emergencies
☒ Overhoused
☒ Underhoused
☒ Medical justification
☒ Administrative reasons determined by the PHA (e.g., to permit modernization work)
☐ Resident choice: (state circumstances below)
☒ Other: (list below)

HOPE VI relocatees or permanently transferred households from HOPE VI sites.

c. Preferences

1. ☒ Yes ☐ No: Has the PHA established preferences for admission to public housing (other than date and time of application)? (If "no" is selected, skip to subsection **(5) Occupancy**)

2. Which of the following admission preferences does the PHA plan to employ in the coming year? (select all that apply from either former Federal preferences or other preferences)

Former Federal preferences:

☒ Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
☒ Victims of domestic violence
☒ Substandard housing
☒ Homelessness
☒ High rent burden (rent is > 50 percent of income)

Other preferences: (select below)

- ☒ Working families and those unable to work because of age or disability
- ☒ Veterans and veterans' families
- ☒ Residents who live and/or work in the jurisdiction
- ☒ Those enrolled currently in educational, training, or upward mobility programs
- ☐ Households that contribute to meeting income goals (broad range of incomes)
- ☐ Households that contribute to meeting income requirements (targeting)
- ☐ Those previously enrolled in educational, training, or upward mobility programs
- ☐ Victims of reprisals or hate crimes
- ☐ Other preference(s) (list below)

3. If the PHA will employ admissions preferences, please prioritize by placing a "1" in the space that represents your first priority, a "2" in the box representing your second priority, and so on. If you give equal weight to one or more of these choices (either through an absolute hierarchy or through a point system), place the same number next to each. That means you can use "1" more than once, "2" more than once, etc.

1 Date and Time

Former Federal preferences:

2 Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
2 Victims of domestic violence
2 Substandard housing
2 Homelessness
1 Homeless with Department of Human Services Supportive Services
1 High rent burden

Other preferences (select all that apply)

1 Working families and those unable to work because of age or disability
2 Veterans and veterans' families
1 Residents who live and/or work in the jurisdiction (homeless families automatically receive this preference)
2 Those enrolled currently in educational, training, or upward mobility programs
Households that contribute to meeting income goals (broad range of incomes)
Households that contribute to meeting income requirements (targeting)
Those previously enrolled in educational, training, or upward mobility programs
Victims of reprisals or hate crimes
Participants of welfare-to-work type programs
2 Other preference(s)

4. Relationship of preferences to income targeting requirements:

☐ The PHA applies preferences within income tiers

☒ Not applicable: the pool of applicant families ensures that the PHA will meet income-targeting requirements

(5) Occupancy

a. What reference materials can applicants and residents use to obtain information about the rules of occupancy of public housing (select all that apply)

☒ The PHA-resident lease

☒ The PHA's Admissions and (Continued) Occupancy policy

☒ PHA briefing seminars or written materials

☐ Other source (list)

b. How often must residents notify the PHA of changes in family composition? (select all that apply)

☒ At an annual reexamination and lease renewal

☒ Any time family composition changes

☐ At family request for revision

☐ Other (list)

(6) Deconcentration and Income Mixing

a. ☐ Yes ☒ No: Did the PHA's analysis of its family (general occupancy) developments to determine concentrations of poverty indicate the need for measures to promote deconcentration of poverty or income mixing?

b. ☐ Yes ☒ No: Did the PHA adopt any changes to its **admissions policies** based on the results of the required analysis of the need to promote deconcentration of poverty or to assure income mixing?

c. If the answer to b was yes, what changes were adopted? (select all that apply)

☐ Adoption of site-based waiting lists
If selected, list targeted developments below:

☐ Employing waiting list "skipping" to achieve deconcentration of poverty or income mixing goals at targeted developments
If selected, list targeted developments below:

☐ Employing new admission preferences at targeted developments

If selected, list targeted developments below:

☐ Other (list policies and developments targeted below)

d. ☐ Yes ☒ No: Did the PHA adopt any changes to **other** policies based on the results of the required analysis of the need for deconcentration of poverty and income mixing?

e. If the answer to d was yes, how would you describe these changes? (select all that apply)

☐ Additional affirmative marketing
☐ Actions to improve the marketability of certain developments
☐ Adoption or adjustment of ceiling rents for certain developments
☐ Adoption of rent incentives to encourage deconcentration of poverty and income-mixing
☐ Other (list below)

f. Based on the results of the required analysis, in which developments will the PHA make special efforts to attract or retain higher-income families? (select all that apply)
☐ Not applicable: results of analysis did not indicate a need for such efforts
☐ List (any applicable) developments below:

g. Based on the results of the required analysis, in which developments will the PHA make special efforts to assure access for lower-income families? (select all that apply)
☐ Not applicable: results of analysis did not indicate a need for such efforts
☐ List (any applicable) developments below:

B. Section 8

Exemptions: PHAs that do not administer section 8 are not required to complete sub-component 3B. **Unless otherwise specified, all questions in this section apply only to the tenant-based section 8 assistance program (vouchers, and until completely merged into the voucher program, certificates).**

(1) Eligibility

a. What is the extent of screening conducted by the PHA? (select all that apply)

☒ Criminal or drug-related activity only to the extent required by law or regulation

☐ Criminal and drug-related activity, more extensively than required by law or regulation

☐ More general screening than criminal and drug-related activity (list factors below)

☐ Other (list below)

b. ☒ Yes ☐ No: Does the PHA request criminal records from local law enforcement agencies for screening purposes?

c. ☒ Yes ☐ No: Does the PHA request criminal records from State law enforcement agencies for screening purposes?

d. ☒ Yes ☐ No: Does the PHA access FBI criminal records from the FBI for screening purposes? (either directly or through an NCIC-authorized source)

e. Indicate what kinds of information you share with prospective landlords? (select all that apply)

☒ Criminal or drug-related activity

☒ Other (describe below)

Other lease violations issues, along with housekeeping habits, as reflected in the participant's file. Note: this information is shared only when requested by landlord.

(2) Waiting List Organization

a. With which of the following program waiting lists is the section 8 tenant-based assistance waiting list merged? (select all that apply)

☐ None
☐ Federal public housing
☒ Federal moderate rehabilitation
☒ Federal project-based certificate program
☐ Other federal or local program (list below)

b. Where may interested persons apply for admission to section 8 tenant-based assistance? (select all that apply)

☐ PHA main administrative office
☒ Other (list below)
Section 8 Administrative Offices at 1815 Egbert Avenue
However, the Section 8 Wait List is currently closed.

(3) Search Time

a. ☒ Yes ☐ No: Does the PHA give extensions on standard 60-day period to search for a unit?

If yes, state circumstances below:
The SFHA may, at its discretion, grant an additional 90-day extension up to a cumulative maximum of 180 days.

(4) Admissions Preferences

a. Income targeting

☒ Yes ☐ No: Does the PHA plan to exceed the federal targeting requirements by targeting more than 75% of all new admissions to the section 8 program to families at or below 30% of median area income?

b. Preferences

1. ☒ Yes ☐ No: Has the PHA established preferences for admission to section 8 tenant-based assistance? (other than date and time of application) (if no, skip to subcomponent **(5) Special purpose section 8 assistance programs)**

2. Which of the following admission preferences does the PHA plan to employ in the coming year? (select all that apply from either former Federal preferences or other preferences)

Former Federal preferences

- ☒ Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
- ☐ Victims of domestic violence
- ☒ Substandard housing
- ☒ Homelessness
- ☒ High rent burden (rent is > 50 percent of income)

Other preferences (select all that apply)

- ☐ Working families and those unable to work because of age or disability
- ☒ Veterans and veterans' families
- ☒ Residents who live and/or work in your jurisdiction
- ☐ Those enrolled currently in educational, training, or upward mobility programs
- ☐ Households that contribute to meeting income goals (broad range of incomes)
- ☐ Households that contribute to meeting income requirements (targeting)
- ☐ Those previously enrolled in educational, training, or upward mobility programs
- ☐ Victims of reprisals or hate crimes
- ☒ Other preference(s) (list below)
  Participants of welfare-to-work type programs

3. If the PHA will employ admissions preferences, please prioritize by placing a "1" in the space that represents your first priority, a "2" in the box representing your second priority, and so on. If you give equal weight to one or more of these choices (either through an absolute hierarchy or through a point system), place the same number next to each. That means you can use "1" more than once, "2" more than once, etc.

Date and Time

Former Federal preferences

1	Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
	Victims of domestic violence
1	Substandard housing
1	Homelessness
1	High rent burden

Other preferences (select all that apply)

Working families and those unable to work because of age or disability
2 Veterans and veterans' families
2 Residents who live and/or work in your jurisdiction
1 Those enrolled currently in educational, training, or upward mobility programs (Welfare-to-work type program)
3 Households that contribute to meeting income goals (broad range of incomes)
3 Households that contribute to meeting income requirements (targeting)
1 Those previously enrolled in educational, training, or upward mobility programs (Welfare-to-work type program)
Victims of reprisals or hate crimes
1 Other preference(s) (list below)
Welfare-to-work Participants

4. Among applicants on the waiting list with equal preference status, how are applicants selected? (select one)

☐ Date and time of application
☒ Drawing (lottery) or other random choice technique

5. If the PHA plans to employ preferences for "residents who live and/or work in the jurisdiction" (select one)

☒ This preference has previously been reviewed and approved by HUD
☐ The PHA requests approval for this preference through this PHA Plan

6. Relationship of preferences to income targeting requirements: (select one)

☐ The PHA applies preferences within income tiers
☒ Not applicable: the pool of applicant families ensures that the PHA will meet income targeting requirements

(5) Special Purpose Section 8 Assistance Programs

a. In which documents or other reference materials are the policies governing eligibility, selection, and admissions to any special-purpose section 8 program administered by the PHA contained? (select all that apply)

☒ The Section 8 Administrative Plan
☒ Briefing sessions and written materials
☒ Other (list below)
Family Handbooks

b. How does the PHA announce the availability of any special-purpose section 8 programs to the public?

☒ Through published notices

☒ Other (list below)

Targeted notices to community supportive services organizations

4. PHA Rent Determination Policies

[24 CFR Part 903.7 9 (d)]

A. Public Housing

Exemptions: PHAs that do not administer public housing are not required to complete sub-component 4A.

(1) Income Based Rent Policies

Describe the PHA's income based rent setting policy/ies for public housing using, including discretionary (that is, not required by statute or regulation) income disregards and exclusions, in the appropriate spaces below.

a. Use of discretionary policies: (select one)

☒ The PHA will not employ any discretionary rent-setting policies for income based rent in public housing. Income-based rents are set at the higher of 30% of adjusted monthly income, 10% of unadjusted monthly income, the welfare rent, or minimum rent (less HUD mandatory deductions and exclusions). (If selected, skip to sub-component (2))

---or---

☐ The PHA employs discretionary policies for determining income based rent (If selected, continue to question b.)

b. Minimum Rent

1. What amount best reflects the PHA's minimum rent? (select one)

☐ $0

☒ $1-$25

☐ $26-$50

2. ☒ Yes ☐ No: Has the PHA adopted any discretionary minimum rent hardship exemption policies?

3. If yes to question 2, list these policies below:

A hardship exists in the following circumstances:

a. When the family has lost eligibility for or is awaiting an eligibility determination for a Federal, State or local assistance program;

b. When the family would be evicted as a result of the imposition of the minimum rent requirement;

c. When the income of the family has decreased because of changed circumstances, including loss of employment;

d. When the family has an increase in expenses because of changed circumstance, for medical costs, childcare, transportation, education, or similar items;

e. When a death has occurred in the family.

c. Rents set at less than 30% than adjusted income

1. ☒ Yes ☐ No: Does the PHA plan to charge rents at a fixed amount or percentage less than 30% of adjusted income?

2. If yes to above, list the amounts or percentages charged and the circumstances under which these will be used below: Flat rents are a tenant option. See Attachment I --- Flat Rent Analysis.

d. Which of the discretionary (optional) deductions and/or exclusions policies does the PHA plan to employ (select all that apply)

☒ For the earned income of a previously unemployed household member
☒ For increases in earned income
☐ Fixed amount (other than general rent-setting policy)
If yes, state amount/s and circumstances below:

☐ Fixed percentage (other than general rent-setting policy)
If yes, state percentage/s and circumstances below:

☐ For household heads
☐ For other family members
☐ For transportation expenses

☐ For the non-reimbursed medical expenses of non-disabled or non-elderly families
☐ Other (describe below)

e. Ceiling rents

1. Do you have ceiling rents? (rents set at a level lower than 30% of adjusted income) (select one)

☐ Yes for all developments
☐ Yes but only for some developments
☒ No

2. For which kinds of developments are ceiling rents in place? (select all that apply)

☐ For all developments
☐ For all general occupancy developments (not elderly or disabled or elderly only)
☐ For specified general occupancy developments
☐ For certain parts of developments; e.g., the high-rise portion
☐ For certain size units; e.g., larger bedroom sizes
☐ Other (list below)

3. Select the space or spaces that best describe how you arrive at ceiling rents (select all that apply)

☐ Market comparability study
☐ Fair market rents (FMR)
☐ 95th percentile rents
☐ 75 percent of operating costs
☐ 100 percent of operating costs for general occupancy (family) developments
☐ Operating costs plus debt service
☐ The "rental value" of the unit
☐ Other (list below)

f. Rent re-determinations:

1. Between income reexaminations, how often must tenants report changes in income or family composition to the PHA such that the changes result in an adjustment to rent? (select all that apply)

☐ Never
☐ At family option
☒ Any time the family experiences an income increase
☐ Any time a family experiences an income increase above a threshold amount or percentage: (if selected, specify threshold)_____
☒ Other (list below)
At any time there is a decrease in income.

g. ☐ Yes ☒ No: Does the PHA plan to implement individual savings accounts for residents (ISAs) as an alternative to the required 12 month disallowance of earned income and phasing in of rent increases in the next year?

(2) Flat Rents

1. In setting the market-based flat rents, what sources of information did the PHA use to establish comparability? (select all that apply.)

☒ The section 8 rent reasonableness study of comparable housing
☒ Survey of rents listed in local newspaper
☐ Survey of similar unassisted units in the neighborhood
☒ Other (list/describe below)
Rent reasonableness study of comparable housing, conducted by an independent contractor, in addition to the Section 8 study

B. Section 8 Tenant-Based Assistance

Exemptions: PHAs that do not administer Section 8 tenant-based assistance are not required to complete sub-component 4B. **Unless otherwise specified, all questions in this section apply only to the tenant-based section 8 assistance program (vouchers, and until completely merged into the voucher program, certificates).**

(1) Payment Standards

Describe the voucher payment standards and policies.

a. What is the PHA's payment standard? (select the category that best describes your standard)

- ☐ At or above 90% but below100% of FMR
- ☐ 100% of FMR
- ☒ Above 100% but at or below 110% of FMR
- ☐ Above 110% of FMR (if HUD approved; describe circumstances below)

b. If the payment standard is lower than FMR, why has the PHA selected this standard? (select all that apply)

- ☐ FMRs are adequate to ensure success among assisted families in the PHA's segment of the FMR area
- ☐ The PHA has chosen to serve additional families by lowering the payment standard
- ☐ Reflects market or submarket
- ☐ Other (list below)

c. If the payment standard is higher than FMR, why has the PHA chosen this level? (select all that apply)

- ☐ FMRs are not adequate to ensure success among assisted families in the PHA's segment of the FMR area
- ☐ Reflects market or submarket
- ☐ To increase housing options for families
- ☐ Other (list below)

d. How often are payment standards reevaluated for adequacy? (select one)

- ☒ Annually
- ☒ Other (list below)

  Will be reviewed less than annually, if market conditions indicate changes in market rents.

e. What factors will the PHA consider in its assessment of the adequacy of its payment standard? (select all that apply)

☒ Success rates of assisted families
☒ Rent burdens of assisted families
☒ Other (list below)
Market rent in community, FMR comparison to market rent

(2) Minimum Rent

a. What amount best reflects the PHA's minimum rent? (select one)

☐ $0
☒ $1-$25
☐ $26-$50

b. ☒ Yes ☐ No: Has the PHA adopted any discretionary minimum rent hardship exemption policies? (if yes, list below)

A hardship exists in the following circumstances:

a. When the family has lost eligibility for or is awaiting an eligibility determination for a Federal, State or local assistance program;

b. When the family would be evicted as a result of the imposition of the minimum rent requirement;

c. When the income of the family has decreased because of changed circumstances, including loss of employment;

d. When the family has an increase in expenses because of changed circumstance, for medical costs, childcare, transportation, education, or similar items;

e. When a death has occurred in the family.

5. Operations and Management

[24 CFR Part 903.7 9 (e)]

Exemptions from Component 5: High performing and small PHAs are not required to complete this section. Section 8 only PHAs must complete parts A, B, and C(2)

A. PHA Management Structure

Describe the PHA's management structure and organization.

(select one)

☒ An organization chart showing the PHA's management structure and organization is attached. See Attachment II --- Organizational Chart.

☐ A brief description of the management structure and organization of the PHA follows:

B. HUD Programs Under PHA Management

List Federal programs administered by the PHA, number of families served at the beginning of the upcoming fiscal year, and expected turnover in each. (Use "NA" to indicate that the PHA does not operate any of the programs listed below.)

Program Name	Units or Families Served at Year Beginning	Expected Turnover
Public Housing		400
Section 8 Vouchers	7249	276
Section 8 Certificates	130 (PBC)	
Section 8 Mod Rehab	1163	
Special Purpose Section 8 Certificates/Vouchers (list individually)		
• Homeless/Robert Wood Johnson	130	
• Aftercare Program	195	
• Earthquake Victims	291	
• Geneva Towers Relocation	321	
• Mainstream Program	75	
• 1915 (C) Program	54	
• Veterans Affairs Supportive Housing (VASH)	31	

• HOPE VI Relocation/Replacement • Conventional Public Housing Priority Transfers • Preservation Vouchers	412 150	
Public Housing Drug Elimination Program (PHDEP)	**N/A**	
Other Federal Programs(list individually)		
New Construction	477	
Sustantial Rehab	230	
AFL-CIO Pension Fund	102	
HOPWA	291	
Shelter Plus Care	404	

C. Management and Maintenance Policies

List the PHA's public housing management and maintenance policy documents, manuals and handbooks that contain the Agency's rules, standards, and policies that govern maintenance and management of public housing, including a description of any measures necessary for the prevention or eradication of pest infestation (which includes cockroach infestation) and the policies governing Section 8 management.

The San Francisco Housing Authority Preventive Maintenance Program Plan can be found in Attachment III --- Preventative Maintenance Schedule. Also, see Attachment IV --- Resident Assessment SubSystem (RASS) Follow-up Activities.

6. PHA Grievance Procedures

[24 CFR Part 903.7 9 (f)]

Exemptions from component 6: High performing PHAs are not required to complete component 6. Section 8-Only PHAs are exempt from sub-component 6A.

A. Public Housing

1. ☐ Yes ☒ No: Has the PHA established any written grievance procedures in addition to federal requirements found at 24 CFR Part 966, Subpart B, for residents of public housing?

   If yes, list additions to federal requirements below:

2. Which PHA office should residents or applicants to public housing contact to initiate the PHA grievance process? (select all that apply)

☒ PHA main administrative office
☒ PHA development management offices
☐ Other (list below)

B. Section 8 Tenant-Based Assistance

1. ☐ Yes ☒ No: Has the PHA established informal review procedures for applicants to the Section 8 tenant-based assistance program and informal hearing procedures for families assisted by the Section 8 tenant-based assistance program in addition to federal requirements found at 24 CFR 982?

   If yes, list additions to federal requirements below:

2. Which PHA office should applicants or assisted families contact to initiate the informal review and informal hearing processes? (select all that apply)

☐ PHA main administrative office
☒ Other (list below)
San Francisco Housing Authority
Section 8 Housing Department
1815 Egbert Avenue
San Francisco, CA 94124

7. Capital Improvement Needs

[24 CFR Part 903.7 9 (g)]

Exemptions from Component 7: Section 8 only PHAs are not required to complete this component and may skip to Component 8.

A. Capital Fund Activities

Exemptions from sub-component 7A: PHAs that will not participate in the Capital Fund Program may skip to component 7B. All other PHAs must complete 7A as instructed.

(1) Capital Fund Program Annual Statement

Using parts I, II, and III of the Annual Statement for the Capital Fund Program (CFP), identify capital activities the PHA is proposing for the upcoming year to ensure long-term physical and social viability of its public housing developments. This statement can be completed by using the CFP Annual Statement tables provided in the table library at the end of the PHA Plan template **OR**, at the PHA's option, by completing and attaching a properly updated HUD-52837.

Select one:

☒ The Capital Fund Program Annual Statement is provided as an attachment to the PHA Plan at Attachment V.

-or-

☐ The Capital Fund Program Annual Statement is provided below: (if selected, copy the CFP Annual Statement from the Table Library and insert here)

(2) Optional 5-Year Action Plan

Agencies are encouraged to include a 5-Year Action Plan covering capital work items. This statement can be completed by using the 5 Year Action Plan table provided in the table library at the end of the PHA Plan template **OR** by completing and attaching a properly updated HUD-52834.

a. ☒ Yes ☐ No: Is the PHA providing an optional 5-Year Action Plan for the Capital Fund? (if no, skip to sub-component 7B)

b. If yes to question a, select one:

☒ The Capital Fund Program 5-Year Action Plan is provided as an attachment to the PHA Plan at Attachment V.

-or-

☐ The Capital Fund Program 5-Year Action Plan is provided below: (if selected, copy the CFP optional 5 Year Action Plan from the Table Library and insert here)

B. HOPE VI and Public Housing Development and Replacement Activities (Non-Capital Fund)

Applicability of sub-component 7B: All PHAs administering public housing. Identify any approved HOPE VI and/or public housing development or replacement activities not described in the Capital Fund Program Annual Statement.

☒ Yes ☐ No: a) Has the PHA received a HOPE VI revitalization grant? (if no, skip to question c; if yes, provide responses to question b for each grant, copying and completing as many times as necessary)

b-1) Status of HOPE VI revitalization grant (complete one set of questions for each grant)

1. Development name: **Hayes Valley**
2. Development (project) number: **CAL 1-18 (2)**
3. Status of grant: (select the statement that best describes the current status)
   - ☐ Revitalization Plan under development
   - ☐ Revitalization Plan submitted, pending approval
   - ☐ Revitalization Plan approved
   - ☒ Activities pursuant to an approved Revitalization Plan underway **Completed and Occupied since 1998 & 1999**

b-2) Status of HOPE VI revitalization grant (complete one set of questions for each grant)

1. Development name: **Bernal Dwellings**
2. Development (project) number: **CAL 1-5**
3. Status of grant: (select the statement that best describes the current status)
   - ☐ Revitalization Plan under development
   - ☐ Revitalization Plan submitted, pending approval
   - ☐ Revitalization Plan approved
   - ☒ Activities pursuant to an approved Revitalization Plan **Completed and Occupied since 2001**

b-3) Status of HOPE VI revitalization grant (complete one set of questions for each grant)

1. Development name: **Plaza East**
2. Development (project) number: **CAL 1-18 (2)**
3. Status of grant: (select the statement that best describes the current status)
   - ☐ Revitalization Plan under development
   - ☐ Revitalization Plan submitted, pending approval
   - ☐ Revitalization Plan approved
   - ☒ Activities pursuant to an approved Revitalization Plan **Completed and Occupied since early 2003**

b-4) Status of HOPE VI revitalization grant (complete one set of questions for each grant)

1. Development name: **North Beach**
2. Development (project) number: **CAL 1-11**
3. Status of grant: (select the statement that best describes the current status)
   - ☐ Revitalization Plan under development
   - ☐ Revitalization Plan submitted, pending approval
   - ☐ Revitalization Plan approved
   - ☒ Activities pursuant to an approved Revitalization Plan underway **Activities continuing according to Implementation Plan**

b-5) Status of HOPE VI revitalization grant (complete one set of questions for each grant)

1. Development name: **Valencia Gardens**
2. Development (project) number: **CAL 1-4**
3. Status of grant: (select the statement that best describes the current status)
   - ☐ Revitalization Plan under development
   - ☐ Revitalization Plan submitted, pending approval
   - ☐ Revitalization Plan approved
   - ☒ Activities pursuant to an approved Revitalization Plan underway **Activities continuing according to Implementation Plan**

☒ Yes ☐ No: c) Does the PHA plan to apply for a HOPE VI Revitalization grant in the Plan year?
If yes, list development name/s below: Hunters View

☒ Yes ☐ No: d) Will the PHA be engaging in any mixed-finance development activities for public housing in the Plan year?
If yes, list developments or activities below: Hunters View, Alice Griffith, Potrero Terrace, Potrero Annex, Westbrook, Alemany, Hunters Point and Rosa Parks

☒ Yes ☐ No: e) Will the PHA be conducting any other public housing development or replacement activities not discussed in the Capital Fund Program Annual Statement?
If yes, list developments or activities below: Hunters View, Alice Griffith, Potrero Terrace, Potrero Annex, Westbrook, Alemany, Hunters Point and Rosa Parks

SITES PROPOSED FOR REVITALIZATION

The following sites are severely distressed and require comprehensive revitalization. Over $200 million in Comprehensive Grant Program funds would be needed for capital improvement needs if funding through HOPE VI and leveraged financing is not made available.

Hunters View

Demolish and rebuild the site with a total of 442 mixed income units – 346 rental apartments (267 public housing and 79 tax credit) and 96 for sale homes. All 267 public housing units will be replaced and 175 new housing units will be added.

- 267 public housing rental (237 family and 30 senior)
- 50 senior apartments
- 29 market rate rental units
- 96 first-time homeowner units (50 at 40% to 60% median income, 46 at 60% to 80% median income) All 267 public housing units will be replaced and 175 new units will be added.

Proposed Federal sources of funds	$35,000,000
Proposed Non-Federal funds	$71,649,444
• Tax Exempt Bonds	$ 670,338
• Low Income Housing Tax Credits	$38,274,396
• Grants/Sweat Equity (Habitat Home)	$ 9,975,332
• Private Mortgage	$18,567,099
• Local	$ 2,979,259
• PHA	$ 1,183,020

Alice Griffith

Demolish and rebuild the site with a total of 406 mixed income units – 351 rental apartments (256 public housing and 95 tax credit) and 55 for sale homes. All 256 public housing units will be replaced and 150 new housing units will be added.

Proposed Federal sources of funds	$35,000,000
Proposed Non-Federal funds	$91,532,880
* Tax Exempt Bonds	$24,999,975
• Low Income Housing Tax Credits	$27,273,051
• Grants/Sweat Equity (Habitat Home)	$ 9,418,420
• Private Mortgage	$19,648,050
• Local	$ 9,025,000
• PHA	$ 1,168,384

Hunters Point

Demolish and rebuild the sites with a total of 330 mixed income units – 285 rental apartments (213 public housing and 72 tax credit) and 45 for sale homes. All 213 public housing units will be replaced and 117 new housing units will be added.

Proposed Federal sources of funds	$29,994,727
Proposed Non-Federal funds	$75,915,991
• Tax Exempt Bonds	$20,908,170
• Low Income Housing Tax Credits	$27,204,477
• Grants/Sweat Equity (Habitat Home)	$ 7,937,159
• Private Mortgage	$15,785,243
• Local	$ 3,079,646
• PHA	$ 1,001,296

Westbrook

Demolish and rebuild the site with a total of 376 mixed income units – 316 rental apartments (226 public housing and 90 tax credit) and 60 for sale homes. All 226 public housing units will be replaced and 150 new housing units will be added.

Proposed Federal sources of funds	$35,000,000
Proposed Non-Federal funds	$88,634,468
• Tax Exempt Bonds	$23,877,908
• Low Income Housing Tax Credits	$23,110,698
• Grants/Sweat Equity (Habitat Home)	$10,900,320
• Private Mortgage	$20,844,750
• Local	$ 8,806,500

- PHA $ 1,094,292

Sunnydale

Substantially rehabilitate 618 units (700 less 82 completed), demolish 67 units and add infill housing for a total of 960 mixed income housing units – 816 rental apartments (767 public housing and 49 tax credit) and 144 for sale homes.

Proposed Federal sources of funds	$ 35,000,000
Proposed Non-Federal funds	$120,086,110
• Tax Exempt Bonds	$ 31,275,000
• Low Income Housing Tax Credits	$ 26,221,937
• Grants/Sweat Equity (Habitat Home)	$ 71,070,000
• Private Mortgage	$ 27,623,125
• Local	$ 4,938,514
• PHA	$ 3,081,966

Potrero Terrace

Substantially rehabilitate all existing units and add new housing for a total of 619 mixed income units – rental apartments (469 public housing and 93 tax credit) and 57 for sale homes. All 469 public housing units will be rehabilitated and 150 new housing units will be added.

Proposed Federal sources of funds	$34,807,024
Proposed Non-Federal funds	$87,261,328
• Tax Exempt Bonds	$27,142,352
• Low Income Housing Tax Credits	$14,956,441
• Grants/Sweat Equity (Habitat Home)	$10,985,952
• Private Mortgage	$22,113,000
• Local	$ 9,654,330
• PHA	$ 2,409,253

Potrero Annex

Substantially rehabilitate all existing units (159) and add new housing for a total of 214 mixed-income units --- rental apartments (159 public housing and 55 tax credit).

8. Demolition and Disposition

[24 CFR Part 903.7 9 (h)]

Applicability of component 8: Section 8 only PHAs are not required to complete this section.

1. ☒ Yes ☐ No: Does the PHA plan to conduct any demolition or disposition activities (pursuant to section 18 of the U.S. Housing Act of 1937 (42 U.S.C. 1437p)) in the plan Fiscal Year? (If "No", skip to component 9; if "yes", complete one activity description for each development.)

2. Activity Description

☒ Yes ☐ No: Has the PHA provided the activities description information in the **optional** Public Housing Asset Management Table? (If "yes", skip to component 9. If "No", complete the Activity Description table below.)

Demolition/Disposition Activity Description
1a. Development name: Rosa Parks 1b. Development (project) number: CAL1-18 (5)
2. Activity type: Demolition ☐ Disposition ☒ (Portion of site)
3. Application status (select one) Approved ☐ Submitted, pending approval ☐ Planned application ☒, pending environmental review
4. Date application approved, submitted, or planned for submission: Planned Application: September 2004
5. Number of units affected: 0 6. Coverage of action (select one) ☒ Part of the development (portion of site) rebuild senior center and 60 units of senior housing ☐ Total development
7. Timeline for activity: a. Actual or projected start date of activity: June 2005 b. Projected end date of activity: September 2007

Demolition/Disposition Activity Description
1a. Development name: Hunters View 1b. Development (project) number: CAL 1-18 (3)
2. Activity type: Demolition ☒ Disposition ☒
3. Application status (select one) Approved ☐ Submitted, pending approval ☐ Planned application ☒, pending environmental assessment
4. Date application approved, submitted, or planned for submission: September 2004
5. Number of units affected: 267 6. Coverage of action (select one) ☐ Part of the development ☒ Total development
7. Timeline for activity: a. Actual or projected start date of activity: December 2005 b. Projected end date of activity: December 2010

Demolition/Disposition Activity Description
1a. Development name: Alice Griffith 1b. Development (project) number: CAL 1-18 (4)
2. Activity type: Demolition ☒ Full Site Disposition ☒ Full Site and Portion of Site (Parking Lot)
3. Application status (select one) Approved ☐ Submitted, pending approval ☒ Portion of Site (Parking Lot) Planned application ☒ Full Site
4. Date application approved, submitted, or planned for submission: September 2004
5. Number of units affected: 256 6. Coverage of action (select one) ☐ Part of the development ☒ Total development
7. Timeline for activity: a. Actual or projected start date of activity: September 2004 b. Projected end date of activity: December 2009

Demolition/Disposition Activity Description
1a. Development name: Hunters Point 1b. Development (project) number: CAL1-17 (A)
2. Activity type: Demolition ☒ Disposition ☒
3. Application status (select one) Approved ☐ Submitted, pending approval ☐ Planned application ☒
4. Date application approved, submitted, or planned for submission: September 2005
5. Number of units affected: 213 6. Coverage of action (select one) ☐ Part of the development ☒ Total development
7. Timeline for activity: a. Actual or projected start date of activity: June 2006 b. Projected end date of activity: December 2011

Demolition/Disposition Activity Description
1a. Development name: Westbrook 1b. Development (project) number: CAL 1-9
2. Activity type: Demolition ☒ Disposition ☒
3. Application status (select one) Approved ☐ Submitted, pending approval ☐ Planned application ☒
4. Date application approved, submitted, or planned for submission: September 2005
5. Number of units affected: 226 6. Coverage of action (select one) ☐ Part of the development ☒ Total development
7. Timeline for activity: a. Actual or projected start date of activity: June 2006 b. Projected end date of activity: December 2011

Demolition/Disposition Activity Description
1a. Development name: Westside Courts 1b. Development (project) number: CAL 1-8
2. Activity type: Demolition ☒ Disposition ☒
3. Application status (select one) Approved ☐ Submitted, pending approval ☐ Planned application ☒
4. Date application approved, submitted, or planned for submission: September 2007
5. Number of units affected: 137 6. Coverage of action (select one) ☐ Part of the development ☒ Total development 7. Timeline for activity: a. Actual or projected start date of activity: June 2008 b. Projected end date of activity: December 2012

Demolition/Disposition Activity Description
1a. Development name: Sunnydale 1b. Development (project) number: CAL 1-3
2. Activity type: Demolition ☒ 30 units Disposition ☒ Portion of Site
3. Application status (select one) Approved ☐ Submitted, pending approval ☐ Planned application ☒
4. Date application approved, submitted, or planned for submission: September 2007
5. Number of units affected: 30 6. Coverage of action (select one) ☒ Part of the development ☐ Total development
7. Timeline for activity: a. Actual or projected start date of activity: June 2008 b. Projected end date of activity: December 2014

Demolition/Disposition Activity Description
1a. Development name: Potrero Terrace 1b. Development (project) number: CAL 1-2
2. Activity type: Demolition ☐ Disposition ☒ Portion of Site
3. Application status (select one) Approved ☐ Submitted, pending approval ☐ Planned application ☒
4. Date application approved, submitted, or planned for submission: June 2005
5. Number of units affected: 0 6. Coverage of action (select one) ☒ Part of the development (portion of site) ☐ Total development
7. Timeline for activity: a. Actual or projected start date of activity: December 2005 b. Projected end date of activity: December 2008

Demolition/Disposition Activity Description
1a. Development name: Potrero Annex 1b. Development (project) number: CAL 1-8
2. Activity type: Demolition ☒ Disposition ☒ Portion of Site
3. Application status (select one) Approved ☐ Submitted, pending approval ☐ Planned application ☒
4. Date application approved, submitted, or planned for submission: June 2004
5. Number of units affected: 0 6. Coverage of action (select one) ☒ Part of the development (portion of site) ☐ Total development
7. Timeline for activity: a. Actual or projected start date of activity: December 2004 b. Projected end date of activity: December 2006

Demolition/Disposition Activity Description
1a. Development name: Woodside Gardens 1b. Development (project) number: CAL 1-18 (10)
2. Activity type: Demolition ☐ Disposition ☒ Portion of Site
3. Application status (select one) Approved ☐ Submitted, pending approval ☐ Planned application ☒
4. Date application approved, submitted, or planned for submission: June 2007
5. Number of units affected: **0** 6. Coverage of action (select one) ☒ Part of the development (portion of site) ☐ Total development
7. Timeline for activity: a. Actual or projected start date of activity: September 2007 b. Projected end date of activity: December 2015

Demolition/Disposition Activity Description
1a. Development name: 101 & 103 Lundy Lane 1b. Development (project) number: CAL 1-30
2. Activity type: Demolition ☐ Disposition ☒
3. Application status (select one) Approved ☐ Submitted, pending approval ☐ Planned application ☒ , pending environmental assessment
4. Date application approved, submitted, or planned for submission: September 2004
5. Number of units affected: 2 6. Coverage of action (select one) ☐ Part of the development ☒ Total development (Possible Disposition of Site)
7. Timeline for activity: a. Actual or projected start date of activity: January 2005 b. Projected end date of activity: August 2005

Demolition/Disposition Activity Description
1a. Development name: 75-77 Coleridge 1b. Development (project) number: CAL 1-29
2. Activity type: Demolition ☐ Disposition ☒
3. Application status (select one) Approved ☐ Submitted, pending approval ☐ Planned application ☒, pending environmental assessment
4. Date application approved, submitted, or planned for submission: September 2004
5. Number of units affected: 2 6. Coverage of action (select one) ☐ Part of the development ☒ Total development (Possible Disposition of Site)
7. Timeline for activity: a. Actual or projected start date of activity: January 2005 b. Projected end date of activity: August 2005

Demolition/Disposition Activity Description
1a. Development name: 275 Thrift Street 1b. Development (project) number: CAL 1-33
2. Activity type: Demolition ☐ Disposition ☒
3. Application status (select one) Approved ☐ Submitted, pending approval ☐ Planned application ☒ , pending environmental assessment
4. Date application approved, submitted, or planned for submission: September 2004
5. Number of units affected: 1 6. Coverage of action (select one) ☐ Part of the development ☒ Total development --- Possible Disposition of Site)
7. Timeline for activity: a. Actual or projected start date of activity: January 2004 b. Projected end date of activity: August 2004

Demolition/Disposition Activity Description
1a. Development name: 951 Eddy Street 1b. Development (project) number: CAL 1-39B
2. Activity type: Demolition ☒ **Rescind Demolition Application and HOPE VI Demolition Grant CA 39VDR0011196. Building was rehabilitated to current SF building codes and reoccupied in July 2000.** Disposition ☐
3. Application status (select one) Approved ☐ Submitted, pending approval ☐ Planned application ☒
4. Date application approved, submitted, or planned for submission: N/A
5. Number of units affected: 24 6. Coverage of action (select one) ☐ Part of the development ☐ Total development
7. Timeline for activity: a. Actual or projected start date of activity: September 2004 b. Projected end date of activity: December 2005

DEMOLITION AND DISPOSITION

As part of the Physical Needs Assessment conducted by SFHA on June 15, 2002, inspections were conducted at 42 of SFHA's public housing communities. Only developments recently developed or currently funded for a complete revitalization were omitted from this review. This review identified a backlog of immediate physical needs totaling $195,000,000.

With a Capital Fund allocation of less than $16,000,000 each year, SFHA will never be able to fully address these needs through the Capital Fund Program alone. In addition, the extent of the physical problems and the inappropriateness of existing site plans and building designs at many SFHA developments would make extensive repairs at these communities and ineffective long-term strategy.

Nevertheless, SFHA is committed to preserve every deteriorated low-income unit it manages, either through rehabilitation or replacement. SFHA has established an agency goal of pursuing every opportunity to increase the reconstruction of such units in San Francisco. The serious shortage of affordable housing opportunities within the City mandates that the number of very low-income units not be reduced (City and County of San Francisco Consolidated Plan). Consequently, in July 2003, SFHA staff released a Request for Qualifications (RFQ) to determine community interest in improving these properties with non-SFHA funds.

Strategies:

#1 The subject Physical Needs Assessment identifies site priorities to aggressively pursue redevelopment opportunities. Based on their blight and capital improvements needs, four of these communities, Hunters View, Westbrook, Hunters Point A and Alice Griffith are the most distressed communities that could possibly benefit from this transformation. The prioritization and revitalization of these communities has also been a City priority through the San Francisco Redevelopment Agency's plans for the area.

#2 The subject Physical Needs Assessment identifies secondary site priorities to aggressively pursue preservation, modernization and possibly in-fill housing. Based on their location, recent improvements, readiness to improve due to available open space, zoning or planning process, four of these communities, Alemany, JFK Towers, Rosa Parks and Woodside Gardens are the top choices that could possibly benefit from this transformation.

#3 Finally, the subject Physical Needs Assessment identifies disposition of certain sites to aggressively pursue investment capital for either other development ventures of Capital Improvement priorities. Based on their location, recent improvements and readiness to vacate the properties, the following three communities, 75-77 Coleridge, 101-103 Lundy's Lane and 275 Thrift are the choices for immediate disposition.

As identified in the RFQ, a Resident and a Neighborhood representative have been identified for the evaluation panel, along with a site advisory team to engage in the pre-development process with the prospective development team, once selected by the SFHA Commission to enter into exclusive negotiations.

This comprehensive revitalization is planned for old poorly configured sites with deteriorated structures and fundamental building construction and design problems. Disposition under ground lease agreements is planned for portions of low-density sites where development of additional public housing, affordable housing, and homeownership housing is feasible. In the recent past applications for demolition and disposition of five (5) public housing sites with 1,253 units were approved. During the next five years, up to 17 applications for disposition and/or demolition are planned involving approximately 2,862 existing public housing units with the potential for construction of 2,486 replacement public housing units and approximately 1,800 rental and homeownership housing units.

ARE	DEV NO.	HUD CAL#	DEV. NAMES	LOCATION	BEDROOMS 0	1	2	3	4	5	6	TOTAL UNITS	YEAR
5	2	1-2	Potrero Terrace	Wisconsin,23rd,Connecticut,26th	0	27	387	55	0	0	0	469	1941
6	3	1-3	Sunnydale	Sunnydale btwnVelasco&Hahn	0	71	531	150	15	0	0	767	1941
3	6	1-8	Westside Courts	Post,Broderick,Sutter,Baker	0	84	24	20	8	0	0	136	1943
7	7	1-9	Westbrook Apts.	Innes,Southridge,Kiska,Dormitory	0	4	60	116	33	12	0	225	1956
7	7	1-9	Westbrook Apts.	Innes,Southridge,Kiska,Dormitory	0	4	60	116	33	12	0	225	1956
5	8	1-10	Potrero Annex	Missouri at 23rd Street	0	13	46	55	18	5	0	137	1955
7	12	1-17A	HuntersPt(A)UW	Griffith & Navy Road	0	0	20	6	4	0	0	30	1953
7	12	1-17A	HuntersPt(A)LW	Oakdale,Griffith,Palou	0	13	58	16	6	9	1	103	1953
7	12	1-17A	HuntersPt(A)E	Earl,Kiska,Dormitory&Evans	0	4	44	13	19	0	0	80	1983
2	20	1-18(1)	J.F.K. Towers	Sacramento near Webster	76	21	1	0	0	0	0	98	1966
7	15	1-18(3)	Hunters View	Middle Pt Rd @ Innes	0	4	75	112	68	8	0	267	1956
7	16	1-18(4)	AliceGriffith	Griffith @ Gilman	0	8	128	24	78	16	0	254	1962
3	19	1-18(7)	Hayes Valley A	Velasco & Castillo	5	8	5	0	0	0	0	18	1962
1	17	1-18(5)	Rosa Parks Annex	Buchanan/ Eddy	19	100	77	0	2	0	0	198	1961

The most severely distressed sites with dangerous mid- and high-rise structures (Hayes Valley, Bernal Dwellings, Plaza East, North Beach and Valencia Gardens) were demolished and three (3) of them have been replaced with new housing, with two (2) of them under construction, that is both compatible with the surrounding neighborhoods and attractively designed with the safety and security of the residents in mind under the HOPE VI Program. While this process unavoidably resulted in a reduction of four (4) dwelling units, the PHA gained 516 bedrooms with the shift to larger family sized housing, a scarce resource in San Francisco. At the same time, through partnerships with locally-based developers, the SFHA has added 13 Section 8 project-based apartments at Bernal Gateway and is adding 85 Section 202 apartments for seniors at the Clementina Towers site. The SFHA plans to develop additional replacement public housing through disposition by ground lease of a portion of low-density public housing sites and on non-public housing sites in partnership with other housing developers at the sites mentioned in the table above.

The SFHA's two most recently designated HOPE VI sites, North Beach and Valencia Gardens, along with Hunters View, a HOPE VI applicant possibility, are underutilized sites and provide opportunities for the development of apartments and homeownership opportunities for working families while improving distressed public housing. The plans allow us to reclaim and repair the blighted and abandoned sites within the existing vibrant neighborhoods with modernization, new construction and in-fill development. North Beach and Valencia Gardens have been reconfigured and comprehensively revitalized in order to maintain the same 475 apartments for public housing residents while introducing an additional 126 affordable housing units (North Beach and Valencia Gardens). As previously mentioned, the Section 8 Project Based Voucher (PBV) Program will be used in conjunction with HOPE VI revitalization efforts. North Beach has been approved for 118 units assisted under the Section 8 PBV Program. This strategy creates both income diversity and addresses the acute shortage of housing for moderate-income households in San Francisco. Additionally,

North Beach, surrounded by a thriving commercial district, offers unique economic opportunities with a new Trader Joe's grocery store as part of the development.

Finally, PBV assistance (80 units) shall be made available at Valencia Gardens as well.

9. Designation of Public Housing for Occupancy by Elderly Families or Families with Disabilities or Elderly Families and Families with Disabilities

[24 CFR Part 903.7 9 (i)]

Exemptions from Component 9; Section 8 only PHAs are not required to complete this section.

1. ☐ Yes ☒ No: Has the PHA designated or applied for approval to designate or does the PHA plan to apply to designate any public housing for occupancy only by the elderly families or only by families with disabilities, or by elderly families and families with disabilities or will apply for designation for occupancy by only elderly families or only families with disabilities, or by elderly families and families with disabilities as provided by section 7 of the U.S. Housing Act of 1937 (42 U.S.C. 1437e) in the upcoming fiscal year? (If "No", skip to component 10. If "yes", complete one activity description for each development, unless the PHA is eligible to complete a streamlined submission; PHAs completing streamlined submissions may skip to component 10.)

2. Activity Description

☐ Yes ☐ No: Has the PHA provided all required activity description information for this component in the **optional** Public Housing Asset Management Table? If "yes", skip to component 10. If "No", complete the Activity Description table below.

Designation of Public Housing Activity Description
1a. Development name: 1b. Development (project) number:
2. Designation type: Occupancy by only the elderly ☐ Occupancy by families with disabilities ☐ Occupancy by only elderly families and families with disabilities ☐
3. Application status (select one) Approved; included in the PHA's Designation Plan ☐ Submitted, pending approval ☐ Planned application ☐
4. Date this designation approved, submitted, or planned for submission: (DD/MM/YY)
5. If approved, will this designation constitute a (select one) ☐ New Designation Plan ☐ Revision of a previously-approved Designation Plan?
6. Number of units affected: 7. Coverage of action (select one) ☐ Part of the development ☐ Total development

10. Conversion of Public Housing to Tenant-Based Assistance

[24 CFR Part 903.7 9 (j)]

Exemptions from Component 10; Section 8 only PHAs are not required to complete this section.

A. Assessments of Reasonable Revitalization Pursuant to section 202 of the HUD FY 1996 HUD Appropriations Act

1. ☐ Yes ☒ No: Have any of the PHA's developments or portions of developments been identified by HUD or the PHA as covered under section 202 of the HUD FY 1996 HUD Appropriations Act? (If "No", skip to component 11; if "yes", complete one activity description for each identified development, unless eligible to complete a streamlined submission. PHAs completing streamlined submissions may skip to component 11.)

2. Activity Description

☐ Yes ☐ No: Has the PHA provided all required activity description information for this component in the **optional** Public Housing Asset Management Table? If "yes", skip to component 11. If "No", complete the Activity Description table below.

Conversion of Public Housing Activity Description
1a. Development name: 1b. Development (project) number:
2. What is the status of the required assessment? ☐ Assessment underway ☐ Assessment results submitted to HUD ☐ Assessment results approved by HUD (if marked, proceed to next question) ☐ Other (explain below)
3. ☐ Yes ☐ No: Is a Conversion Plan required? (If yes, go to block 4; if no, go to block 5.)
4. Status of Conversion Plan (select the statement that best describes the current status) ☐ Conversion Plan in development ☐ Conversion Plan submitted to HUD on: (DD/MM/YYYY) ☐ Conversion Plan approved by HUD on: (DD/MM/YYYY) ☐ Activities pursuant to HUD-approved Conversion Plan underway
5. Description of how requirements of Section 202 are being satisfied by means other than conversion (select one) ☐ Units addressed in a pending or approved demolition application (date submitted or approved: ☐ Units addressed in a pending or approved HOPE VI demolition application (date submitted or approved:) ☐ Units addressed in a pending or approved HOPE VI Revitalization Plan (date submitted or approved:) ☐ Requirements no longer applicable: vacancy rates are less than 10 percent ☐ Requirements no longer applicable: site now has less than 300 units ☐ Other: (describe below)

B. Reserved for Conversions pursuant to Section 22 of the U.S. Housing Act of 1937

C. Reserved for Conversions pursuant to Section 33 of the U.S. Housing Act of 1937

11. Homeownership Programs Administered by the PHA

[24 CFR Part 903.7 9 (k)]

A. Public Housing

Exemptions from Component 11A: Section 8 only PHAs are not required to complete 11A.

1. ☐ Yes ☒ No: Does the PHA administer any homeownership programs administered by the PHA under an approved section 5(h) homeownership program (42 U.S.C. 1437c(h)), or an approved HOPE I program (42 U.S.C. 1437aaa) or has the PHA applied or plan to apply to administer any homeownership programs under section 5(h), the HOPE I program, or section 32 of the U.S. Housing Act of 1937 (42 U.S.C. 1437z-4). (If "No", skip to component 11B; if "yes", complete one activity description for each applicable program/plan, unless eligible to complete a streamlined submission due to **small PHA** or **high performing PHA** status. PHAs completing streamlined submissions may skip to component 11B.)

2. Activity Description

☐ Yes ☐ No: Has the PHA provided all required activity description information for this component in the **optional** Public Housing Asset Management Table? (If "yes", skip to component 12. If "No", complete the Activity Description table below.)

Public Housing Homeownership Activity Description (Complete one for each development affected)
1a. Development name: 1b. Development (project) number:
2. Federal Program authority: ☐ HOPE I ☐ 5(h) ☐ Turnkey III ☐ Section 32 of the USHA of 1937 (effective 10/1/99)
3. Application status: (select one) ☐ Approved; included in the PHA's Homeownership Plan/Program ☐ Submitted, pending approval ☐ Planned application
4. Date Homeownership Plan/Program approved, submitted, or planned for submission: (DD/MM/YYYY)
5. Number of units affected: 6. Coverage of action: (select one) ☐ Part of the development ☐ Total development

form HUD 50075 (03/2003)

B. Section 8 Tenant Based Assistance

1. ☒ Yes ☐ No: Does the PHA plan to administer a Section 8 Homeownership program pursuant to Section 8(y) of the U.S.H.A. of 1937, as implemented by 24 CFR part 982 ? (If "No", skip to component 12; if "yes", describe each program using the table below (copy and complete questions for each program identified), unless the PHA is eligible to complete a streamlined submission due to high performer status. **High performing PHAs** may skip to component 12.)

2. Program Description: The SFHA plans to administer a Section 8 Homeownership Program pursuant to 24 CFR 982. The Section 8 Department continues to develop partnerships with lenders and community-based organizations.

a. Size of Program

☒ Yes ☐ No: Will the PHA limit the number of families participating in the section 8 homeownership option?

If the answer to the question above was yes, which statement best describes the number of participants? (select one)

☐ 25 or fewer participants
☐ 26 - 50 participants
☒ 51 to 100 participants
☐ more than 100 participants

b. PHA-established eligibility criteria

☒ Yes ☐ No: Will the PHA's program have eligibility criteria for participation in its Section 8 Homeownership Option program in addition to HUD criteria?

If yes, list criteria below:

(1) Participation in the FSS Program; and
(2) Two-year minimum work history or other financial institution requirement

12. PHA Community Service and Self-sufficiency Programs

[24 CFR Part 903.7 9 (l)]

Exemptions from Component 12: High performing and small PHAs are not required to complete this component. Section 8-Only PHAs are not required to complete sub-component C.

A. PHA Coordination with the Welfare (TANF) Agency

1. Cooperative agreements:

☒ Yes ☐ No: Has the PHA has entered into a cooperative agreement with the TANF Agency, to share information and/or target supportive services (as contemplated by section 12(d)(7) of the Housing Act of 1937)?

If yes, what was the date that agreement was signed? 12April1998

2. Other coordination efforts between the PHA and TANF agency (select all that apply)

☒ Client referrals
☒ Information sharing regarding mutual clients (for rent determinations and otherwise)
☒ Coordinate the provision of specific social and self-sufficiency services and programs to eligible families
☒ Jointly administer programs
☒ Partner to administer a HUD Welfare-to-Work voucher program
☒ Joint administration of other demonstration program
☐ Other (describe)

B. Services and programs offered to residents and participants

(1) General

a. Self-Sufficiency Policies

Which, if any of the following discretionary policies will the PHA employ to enhance the economic and social self-sufficiency of assisted families in the following areas? (select all that apply)

☒ Public housing rent determination policies
☒ Public housing admissions policies
☒ Section 8 admissions policies
☐ Preference in admission to section 8 for certain public housing families
☒ Preferences for families working or engaging in training or education programs for non-housing programs operated or coordinated by the PHA
☐ Preference/eligibility for public housing homeownership option participation
☒ Preference/eligibility for section 8 homeownership option participation
☐ Other policies (list below)

b. Economic and Social self-sufficiency programs

☒ Yes ☐ No: Does the PHA coordinate, promote or provide any programs to enhance the economic and social self-sufficiency of residents? (If "yes", complete the following table; if "no" skip to sub-component 2, Family Self Sufficiency Programs. The position of the table may be altered to facilitate its use.)

Services and Programs				
Program Name & Description (including location, if appropriate)	Estimated Size	Allocation Method (waiting list/random selection/specific criteria/other)	Access (development office / PHA main office / other provider name)	Eligibility (public housing or section 8 participants or both)
Computer Centers				
Bernal Dwellings	*30*	Residents of Development	Development Office	Public Housing
Alemany	30	Residents of Development	Development Office	Public Housing
Sunnydale (Two Sites)	30/site	Residents of Development	Development Office	Public Housing
Hayes Valley	30	Residents of Development	Development Office	Public Housing
Ping Yuen	30	Residents of Development	Development Office	Public Housing
Rosa Parks	30	Residents of Development	Development Office	Public Housing

Services and Programs				
Other Programs	Estimated Size	Allocation Method (waiting list/random selection/specific criteria/other)	Access (development office / PHA main office / other provider name)	Eligibility (public housing or section 8 participants or both)
Pop Warner Football Sunnydale and Hunters Point Development	*50*	Specific Criteria	Development Office	Public Housing
Operation Dream (Police/Youth Program) All Family Developments	200	Specific Criteria	S.F. Police Department	Public Housing
Girls 2000 (Girls Self-Esteem Program) Hunters Point Development	15	Residents of Development	Development Office	Public Housing
Sunnydale Teen Center (Recreation, Job Training, Computer Learning) *Sunnydale Development*	75	Residents of Development	Development Office	Public Housing
Education & Career Development	198	All Participants	FSS Program Office	Section 8
Career Clothing			FSS Program Office	Section 8
Monthly Workshops (New FSS Participants)			FSS Program Office	Section 8
				All Section 8 services are provided at the FSS Program Office at 1815 Egbert Avenue, San Francisco, CA 94124

(2) Family Self Sufficiency program/s

a. Participation Description

Family Self Sufficiency (FSS) Participation		
Program	Required Number of Participants (start of FY 2000 Estimate)	Actual Number of Participants (As of: 01/04/04)
Public Housing	0	0
Section 8	310	198

b. ☒ Yes ☐ No: If the PHA is not maintaining the minimum program size required by HUD, does the most recent FSS Action Plan address the steps the PHA plans to take to achieve at least the minimum program size?
If no, list steps the PHA will take below:

C. Welfare Benefit Reductions

1. The PHA is complying with the statutory requirements of section 12(d) of the U.S. Housing Act of 1937 (relating to the treatment of income changes resulting from welfare program requirements) by: (select all that apply)

☒ Adopting appropriate changes to the PHA's public housing rent determination policies and train staff to carry out those policies
☒ Informing residents of new policy on admission and reexamination
☒ Actively notifying residents of new policy at times in addition to admission and reexamination.
☒ Establishing or pursuing a cooperative agreement with all appropriate TANF agencies regarding the exchange of information and coordination of services
☐ Establishing a protocol for exchange of information with all appropriate TANF agencies
☐ Other: (list below)

D. Reserved for Community Service Requirement pursuant to section 12(c) of the U.S. Housing Act of 1937

1. The SFHA has mailed the Community Service Requirement (CSR) announcement to all households.
2. The SFHA mailed the CSR announcement to every tenant association.
3. The SFHA has made staff available to explain the CSR.
4. The SFHA has compiled a list of agencies where residents can perform community service work.
5. The CSR has been added to the annual re-certification process.

13. PHA Safety and Crime Prevention Measures

[24 CFR Part 903.7 9 (m)]

Exemptions from Component 13: High performing and small PHAs not participating in PHDEP and Section 8 Only PHAs may skip to component 15. High Performing and small PHAs that are participating in PHDEP and are submitting a PHDEP Plan with this PHA Plan may skip to sub-component D.

A. Need for measures to ensure the safety of public housing residents

1. Describe the need for measures to ensure the safety of public housing residents (select all that apply)

- ☒ High incidence of violent and/or drug-related crime in some or all of the PHA's developments
- ☒ High incidence of violent and/or drug-related crime in the areas surrounding or adjacent to the PHA's developments
- ☒ Residents fearful for their safety and/or the safety of their children
- ☐ Observed lower-level crime, vandalism and/or graffiti
- ☒ People on waiting list unwilling to move into one or more developments due to perceived and/or actual levels of violent and/or drug-related crime
- ☐ Other (describe below)

2. What information or data did the PHA use to determine the need for PHA actions to improve safety of residents (select all that apply).

- ☒ Safety and security survey of residents
- ☒ Analysis of crime statistics over time for crimes committed "in and around" public housing authority
- ☐ Analysis of cost trends over time for repair of vandalism and removal of graffiti
- ☒ Resident reports
- ☒ PHA employee reports
- ☒ Police reports
- ☐ Demonstrable, quantifiable success with previous or ongoing anticrime/anti drug programs
- ☐ Other (describe below)

2. Which developments are most affected? (list below)

Hunters View, Potrero Terrace/Potrero Annex, Sunnydale, Alice Griffith, Hunters Point, Westbrook and Alemany

B. Crime and Drug Prevention activities the PHA has undertaken or plans to undertake in the next PHA fiscal year

1. List the crime prevention activities the PHA has undertaken or plans to undertake: (select all that apply)

- ☒ Contracting with outside and/or resident organizations for the provision of crime- and/or drug-prevention activities
- ☒ Crime Prevention Through Environmental Design
- ☒ Activities targeted to at-risk youth, adults, or seniors
- ☐ Volunteer Resident Patrol/Block Watchers Program
- ☒ Other (describe below) Establishment of Police Department Substations

2. Which developments are most affected? (list below)
   Hunters View, Potrero Terrace/Potrero Annex, Sunnydale, Alice Griffith, Hunters Point, Westbrook and Alemany

C. Coordination between PHA and the police

1. Describe the coordination between the PHA and the appropriate police precincts for carrying out crime prevention measures and activities: (select all that apply)

- ☐ Police involvement in development, implementation, and/or ongoing evaluation of drug-elimination plan
- ☒ Police provide crime data to housing authority staff for analysis and action
- ☒ Police have established a physical presence on housing authority property (e.g., community policing office, officer in residence)
- ☐ Police regularly testify in and otherwise support eviction cases
- ☒ Police regularly meet with the PHA management and residents
- ☒ Agreement between PHA and local law enforcement agency for provision of above-baseline law enforcement services
- ☐ Other activities (list below)

2. Which developments are most affected? (list below)
   Hunters View, Potrero Terrace/Potrero Annex, Sunnydale, Alice Griffith, Hunters Point, Westbrook and Alemany

D. Additional information as required by PHDEP/PHDEP Plan

PHAs eligible for FY 2000 PHDEP funds must provide a PHDEP Plan meeting specified requirements prior to receipt of PHDEP funds.

☐ Yes ☐ No: Is the PHA eligible to participate in the PHDEP in the fiscal year covered by this PHA Plan?

☐ Yes ☐ No: Has the PHA included the PHDEP Plan for FY 2000 in this PHA Plan?

☐ Yes ☐ No: This PHDEP Plan is an Attachment. (Attachment Filename: ___)

14. RESERVED FOR PET POLICY

[24 CFR Part 903.7 9 (n)]

For the Pet Policy , see the attached Admissions & Continued Occupancy Policy, Appendix C.

15. Civil Rights Certifications

[24 CFR Part 903.7 9 (o)]

Civil rights certifications are included in the PHA Plan Certifications of Compliance with the PHA Plans and Related Regulations.

For the Civil Rights Policy, see the attached Admissions & Continued Occupancy Policy, Appendix G.

16. Fiscal Audit

[24 CFR Part 903.7 9 (p)]

1. ☒ Yes ☐ No: Is the PHA required to have an audit conducted under section 5(h)(2) of the U.S. Housing Act of 1937 (42 U S.C. 1437c(h))? (If no, skip to component 17.)
2. ☒ Yes ☐ No: Was the most recent fiscal audit submitted to HUD?
3. ☒ Yes ☐ No: Were there any findings as the result of that audit?
4. ☒ Yes ☐ No: If there were any findings, do any remain unresolved? If yes, how many unresolved findings remain? One
5. ☒ Yes ☐ No: Have responses to any unresolved findings been submitted to HUD? If not, when are they due (state below)?

17. PHA Asset Management

[24 CFR Part 903.7 9 (q)]

Exemptions from component 17: Section 8 Only PHAs are not required to complete this component. High performing and small PHAs are not required to complete this component.

1. ☒ Yes ☐ No: Is the PHA engaging in any activities that will contribute to the long-term asset management of its public housing stock , including how the Agency will plan for long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs that have **not** been addressed elsewhere in this PHA Plan?

2. What types of asset management activities will the PHA undertake? (select all that apply)

☐ Not applicable
☒ Private management
☐ Development-based accounting
☒ Comprehensive stock assessment
☐ Other: (list below)

3. ☐ Yes ☒ No: Has the PHA included descriptions of asset management activities in the **optional** Public Housing Asset Management Table?

18. Other Information

[24 CFR Part 903.7 9 (r)]

A. Resident Advisory Board Recommendations

1. ☒ Yes ☐ No: Did the PHA receive any comments on the PHA Plan from the Resident Advisory Board/s?

2. If yes, the comments are: (if comments were received, the PHA **MUST** select one)

☒ Attached at Attachment VI
☐ Provided below:

3. In what manner did the PHA address those comments? (select all that apply)

☐ Considered comments, but determined that no changes to the PHA Plan were necessary.

☒ The PHA changed portions of the PHA Plan in response to comments
List changes below: Changed Capital Fund Priorities

☐ Other: (list below)

B. Description of Election process for Residents on the PHA Board

1. ☐ Yes ☒ No: Does the PHA meet the exemption criteria provided section 2(b)(2) of the U.S. Housing Act of 1937? (If no, continue to question 2; if yes, skip to sub-component C.)

2. ☐ Yes ☒ No: Was the resident who serves on the PHA Board elected by the residents? (If yes, continue to question 3; if no, skip to sub-component C.)

3. Description of Resident Election Process

a. Nomination of candidates for place on the ballot: (select all that apply)

☐ Candidates were nominated by resident and assisted family organizations
☐ Candidates could be nominated by any adult recipient of PHA assistance
☐ Self-nomination: Candidates registered with the PHA and requested a place on ballot
☒ Other: (describe) The Mayor of the City and County of San Francisco selects two (one from a family development and one from a senior/disabled development) public housing residents to sit on the seven-person San Francisco Housing Authority Commission (i.e. PHA Board). See Attachment VII.

b. Eligible candidates: (select one)

☐ Any recipient of PHA assistance
☐ Any head of household receiving PHA assistance
☒ Any adult recipient of PHA assistance
☐ Any adult member of a resident or assisted family organization
☐ Other (list)

c. Eligible voters: (select all that apply)

☐ All adult recipients of PHA assistance (public housing and section 8 tenant-based assistance)
☐ Representatives of all PHA resident and assisted family organizations
☒ Other (list)

(Not Applicable: Only the Mayor of the City and County of San Francisco can select public housing residents to sit on the San Francisco Housing Authority Commission/PHA Board). See Attachment VII.

C. Statement of Consistency with the Consolidated Plan

For each applicable Consolidated Plan, make the following statement (copy questions as many times as necessary).

1. Consolidated Plan jurisdiction: (San Francisco, California)

2. The PHA has taken the following steps to ensure consistency of this PHA Plan with the Consolidated Plan for the jurisdiction: (select all that apply)

☒ The PHA has based its statement of needs of families in the jurisdiction on the needs expressed in the Consolidated Plan/s.
☒ The PHA has participated in any consultation process organized and offered by the Consolidated Plan agency in the development of the Consolidated Plan.
☒ The PHA has consulted with the Consolidated Plan agency during the development of this PHA Plan.
☒ Activities to be undertaken by the PHA in the coming year are consistent with the initiatives contained in the Consolidated Plan. (list below)
☐ Other: (list below)

4. The Consolidated Plan of the jurisdiction supports the PHA Plan with the following actions and commitments: (describe below)

D. Other Information Required by HUD

Use this section to provide any additional information requested by HUD.

Pursuant to notice PIH 99-51 (HA), the SFHA will use the HUD criteria detailed in Section III (G) of the notice to define "Substantial Deviation" and "Significant Amendment or Modification". Specifically, a substantial deviation or significant amendment or modification, which requires public notice and comment, will be required if a change is made to the Plan, or any component thereof, related to the following:

- Changes to established Flat Rent amounts;
- Admissions Policies specifically related to the organization of the applicant waiting list;
- Deconcentration of poverty and income mixing in public housing;
- Additions of Non-Emergency work items (items not included in the current Annual Statement or 5-Year Plan) or change in use of replacement reserve funds under the capital fund; or,

- Any change with regards to Demolition or Disposition, Homeownership programs or Conversion activities

Changes made to the Plan, or any component thereof, that do not relate to the above-mentioned issues will not be considered substantial or significant and will not require public notice and comment.

SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO, CA 94102 • PHONE (415) 554-1260 • FAX (415) 554-1268

Memorandum

DATE: June 24, 2004

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSION

Julie Lee, President
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Neola J. Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: Gregg Fortner, Executive Director

SUBJECT: **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A LETTER OF AGREEMENT WITH THE SHERIFF'S DEPARTMENT FOR THE CITY AND COUNTY OF SAN FRANCISCO TO OBTAIN CRIMINAL HISTORY INFORMATION ON PROSPECTIVE RESIDENTS AND EMPLOYEES IN AN AMOUNT NOT TO EXCEED $73,681**

OVERVIEW

The San Francisco Housing Authority has had an agreement with the San Francisco Sheriff's Department since December 2002 to provide criminal history information on prospective residents of Public and Section 8 housing. Prior to that time, the Sheriff's Department had been providing criminal history information on prospective new employees for over three years. They have now agreed to continue to provide criminal history information on all prospective residents of public and Section 8 housing over the age of 18. The information they provide will be obtained from the California Law Enforcement Telecommunications System (CLETS), which provides statewide criminal history, some national information, as well as information on registered sex offenders, arsonists and drug offenders.

The requirement to obtain criminal history on prospective public housing and Section 8 residents is found in Federal Regulations, the Administrative Plan for Section 8, and the Admissions and Continued Occupancy Plan (ACOP) for Public Housing. The Personnel Policies, Rules and Procedures adopted in July 2001 require that we obtain criminal history information on all newly hired employees as well as those being rehired after a break in service of any duration.

The resolution presented today will allow the Housing Authority to continue its relationship with the San Francisco Sheriff's Department for the period July 1, 2004, through June 30, 2005.

ANTICIPATED OUTCOME

The approval of this item will allow the Executive Director to enter into a Letter of Agreement with the San Francisco Sheriff's Department to conduct criminal history checks, allowing the Housing Authority to obtain comprehensive criminal history information quickly and at a reasonable cost to comply with requirements of HUD and our Personnel Policies.

WHO BENEFITS

Residents and landlords benefit because they know that their new neighbors and tenants have been checked out and do not have a criminal history. The Housing Authority benefits by complying with Federal Regulations and its own policies.

BUDGET CONSIDERATIONS

The cost of obtaining criminal histories will be allocated between Low-Income and Section 8 Program budgets. These costs have been included in these budgets for the period covered by this resolution. For the next year, we will need $73,681based for the anticipated 5,000 criminal history checks. (During the past year, we paid the Sheriff's Department $72,565 for 4,000 criminal history checks.) If all 5,000 criminal checks are done, the price per criminal history check is $14.74 per check. This price is more than competitive with commercial sources. Based on previous quotes received for commercial criminal checks, the price per check, including sex offender information, ranges from $20 to $33.75 per check per county. The criminal history information obtained through the Sheriff's Department, using CLETS, is much more comprehensive than the information that can be obtained through commercial sources and costs substantially less.

RECOMMENDATION

Adopt the resolution to authorize the Executive Director to enter into a Letter of Agreement between the San Francisco Housing Authority and the San Francisco Sheriff's Department to obtain criminal history information from the Sheriff's Department for the next year.

RESOLUTION NO. 5155
DATE ADOPTED 6/24/04

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A LETTER OF AGREEMENT WITH THE SHERIFF'S DEPARTMENT FOR THE CITY AND COUNTY OF SAN FRANCISCO TO OBTAIN CRIMINAL HISTORY INFORMATION ON PROSPECTIVE RESIDENTS AND EMPLOYEES IN AN AMOUNT NOT TO EXCEED $73,681

WHEREAS, Federal Regulations and San Francisco Housing Authority policies require a criminal background check of family members prior to leasing, as well as new and reemployed employees; and

WHEREAS, the Housing Authority has investigated various sources from which it could obtain criminal history information and has found that commercial sources offer limited information, generally limited to a single county and at a higher total cost; and

WHEREAS, the San Francisco Sheriff's Department has provided criminal history information on prospective residents of public and Section 8 housing as well as prospective new employees and will use the California Law Enforcement Telecommunications System (CLETS) to provide the Housing Authority with comprehensive criminal history information for a reasonable cost; and

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is authorized to enter into a Letter of Agreement between the Sheriff's Department and the Housing Authority to conduct criminal history checks in an amount not to exceed $73,681 for the period July 1, 2004 through June 30, 2005.

2. The Executive Director is authorized to approve and implement this Letter of Agreement immediately.

APPROVED AS TO FORM AND LEGALITY:

DONNA MARTIN, General Counsel

Date 6-21-04

REVIEWED BY:

GREGG FORTNER, Executive Director

Date 6/21/04

EXHIBIT B-1

City and County of San Francisco

LETTER OF AGREEMENT

1. Parties

The parties to this Agreement are the Sheriff of the City and County of San Francisco ("Sheriff"), and the Executive Director of the San Francisco Housing Authority ("Director").

2. Scope Of Work

The Sheriff shall provide summary state criminal history information ("information"), obtained through the California Law Enforcement Telecommunications System, to the Director, for the purpose of screening applicants for employment with, and applicants for participation in subsidized housing programs administered by, the San Francisco Housing Authority ("applicants").

Said information shall be gathered, edited, and presented in the manner authorized by Section 11105.03 of the California Penal Code ("Section 11105.03"), and related statutes and case law. Section 11105.03 is attached hereto and incorporated by reference as though fully set forth.

Said information shall be provided, during the term of this Agreement, for up to five thousand (5,000) applicants, except as otherwise authorized by the Sheriff upon the request of the Director.

3. Information Content

The Sheriff shall have sole discretion to decide the applicability of Section 11105.03, and related statutes and case law, to any information to be provided to the Director.

4. Information Security, Confidentiality, and Use

The Director shall have sole responsibility for the security, confidentiality, and use of the information provided by the Sheriff, as set forth in Penal Code Sections 11105.03(c) through 11105.03(h), and related statutes and case law.

The Director agrees:

a. to be bound by the provisions of said statute, and related statutes and case law,

b. to implement and enforce appropriate regulations regarding such

security, confidentiality, and use, and

c. to immediately inform the Sheriff of any actual or suspected breach of security, breach of confidentiality, or misuse of said information.

5. Reimbursement Of Costs

The Director shall reimburse the Sheriff for the cost of services performed hereunder, by payment in the amount of Seventy Three Thousand Six Hundred Eighty One Dollars ($73,681), in quarterly installments of Eighteen Thousand Four Hundred Twenty Dollars and Twenty Five Cents ($18,420.25), in advance of the quarter in which such services are to be performed.

Performance by the Sheriff hereunder, in the discretion of the Sheriff, may be suspended in the event that the Director fails to provide to the Sheriff, in a timely manner, the sums agreed for the services provided.

6. Performance Objective

The Sheriff and the Director understand the significance of the timely performance of the work described in Section 2 of this Agreement.

The Director requests that such work be performed and results returned within seven (7) calendar days from the date that written requests for such work are received by the Sheriff at the site designated by the Sheriff for the performance of such work.

The Director may designate certain written requests to be processed ahead of others, with the understanding that work performed or results returned in response to requests received prior to such designated requests may be thereby delayed.

The Director agrees to use best efforts to promptly forward such written requests to the Sheriff, as the required information is received by the Director from applicants, on the form designated by the parties for such purpose.

The Sheriff agrees to use best efforts to return results in response to such written requests within seven (7) calendar days from the date that such requests are received by the Sheriff.

Failure by the Sheriff to meet the performance objective described herein shall not be the basis for reduction or delay by the Director of payments to the Sheriff as described in Section 5 of this Agreement, nor otherwise affect the rights or obligations of the parties as described herein.

7. Defend, Indemnify, and Hold Harmless

The Director shall defend, indemnify, and hold harmless the City, the Sheriff, and each and all of their officers, agents, and employees, from all claims, suits, actions, losses, and liability of every kind, regardless of merit,

including but not limited to attorney's fees, directly or indirectly arising out of, connected with, or resulting from provision of information under this Agreement, by the Sheriff to the Director, or any breach of security, breach of confidentiality, or misuse, of information provided by the Sheriff to the Director.

8. Amendments

The Sheriff and the Director, by mutual assent, may amend or modify any or all of the terms of this Agreement.

9. Administration

The Sheriff and the Director may each designate persons to administer this Agreement. Authority of a designee to act hereunder shall not extend to amendment or modification of the terms of this Agreement.

10. Effective Date

This Agreement shall be effective on July 1, 2004, and shall run until June 30, 2005, subject to an option in the Director to renew for a further term, provided that the exercise of such option shall not be effective except as agreed in writing by the parties as to the scope of services to be provided, the costs of such services, and method of payment therefor, during the term that such renewal is in effect.

MICHAEL HENNESSEY, Sheriff	GREGG FORTNER, Executive Director
Date: _____	Date: _____

SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO • CALIFORNIA • 94102 • (415) 554-1200

CERTIFICATE

I, Julie Lee, duly elected President of the Board of Commissioners of the Housing Authority of the City and County of San Francisco, do hereby certify that the following was adopted at the Regular Meeting of the Commission held on June 24, 2004:

RESOLUTION NO. 5155

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A LETTER OF AGREEMENT WITH THE SHERIFF'S DEPARTMENT FOR THE CITY AND COUNTY OF SAN FRANCISCO TO OBTAIN CRIMINAL HISTORY INFORMATION ON PROSPECTIVE RESIDENTS AND EMPLOYEES IN AN AMOUNT NOT TO EXCEED $73,681

Attached is a true and correct copy of the Resolution as adopted at the said meeting, on file and on record as adopted by the following vote of the Members:

FOR ADOPTION:

Julie Lee
George R. Brown
Sululagi Palega, Sr.
Betty J. Smith
Neola Gans
George Woodruff

AGAINST ADOPTION:

ABSENT (EXCUSED):

IN TESTIMONY, WHEREOF, I have hereto set my hand and seal of said Authority this date: December 9, 2004.

Julie Lee, President
SFHA Commission

C

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94112 • (415) 554-1200

DATE: June 24, 2004

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

Julie Lee, President
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH SONOMARIN INC. FOR THE HEATING AND DOMESTIC HOT WATER BOILERS REPLACEMENT WORK AT CAL 1-31, 25 SANCHEZ STREET, IN AN AMOUNT NOT TO EXCEED $237,818.**

OVERVIEW

This Resolution will authorize the Executive Director to enter into a contract with Sonomarin, Inc. for the Heating and Domestic Hot Water Boilers Replacement work at CAL 1-31, 25 Sanchez Street, a senior development.

25 Sanchez Street was built in 1972. The building is four-stories with 90 senior and disabled dwelling units.

The Heating and Domestic Hot Water System is thirty-two years old and beyond repair. The current boilers are unreliable and their replacement is urgently needed to ensure uninterrupted heat and hot water to senior and disabled residents. Unless the boilers are replaced, the availability of continuous heat and hot water during the cool summer months and following winter cannot be assured.

PROCUREMENT

The Authority issued Solicitation No. 04-620-IFB-008 on April 5, 2004, following review and approval of the solicitation by the Finance and Procurement Departments. The procurement process for the action covered by this Resolution meets the procurement standards of 24 CFR

85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws.

The Housing Development & Modernization, Department (HD&M) developed the Invitation for Bid Documents, Plans & Specifications based on master procurement documents furnished by the Authority's Procurement & Contracts Department and Construction Documents (Drawings and technical specifications) furnished by the Authority's Mechanical Engineering Services Consultant, Mechanical Solutions. The documents were reviewed and approved by the Procurement & Contracts Department (P&C) prior to the start of the bid process.

The Authority advertised for bidders and outreached to potential bidders as follows:

Past Bidders List, Contractors Blue Book & Yellow Pages: The Authority e-mailed, faxed or mailed its Invitation for Bid advertisement to forty-one (41) individual contractors from the Authority's Past Bidders List, the Contractors Blue Book and Telephone Directory Yellow Pages.

HRC: The Authority e-mailed, faxed or mailed its Invitation for Bid advertisement to four (4) MBE/WBE contractor listed by the San Francisco Human Rights Commission.

Labor Unions: The Authority mailed its Invitation for Bid Documents, Plans & Specifications, to the San Francisco Buildings Trade Council, and Plumbers Union Local 38.

Newspapers: The Authority publicly advertised its Invitation for Bid advertisement in the following newspapers:
Daily Pacific Builder, (trade publication)
San Francisco Bay View, (African American community)
Sing Tao Daily, (Asian American Community)

Additional Newspapers: The Authority e-mailed its Invitation for Bid advertisement to the San Francisco Board of Supervisors office who placed the advertisement in the following community newspapers:

- El Latino (Hispanic American community),
- El Reportero (Hispanic American community),
- Asian Week (Chinese American community),
- Chinese Times (Chinese American community),
- San Francisco Bay Times (Lesbian/Gay/Bi-sexual/Transgender community),
- San Francisco Spectrum (Lesbian/Gay/Bi-sexual/Transgender community).

Public Agency Websites: The Authority e-mailed its Invitation for Bid advertisement to the following agencies who placed the advertisement in their website bulletin boards:

- City and County of San Francisco (City Purchasing Department),
- California State Contracts Register (Office of Small Business Certification and Resources),
- Small Business Administration's PRO-Net (Office of Government Contracting & Minority Enterprise Development).
- U.S. Department of Commerce's BIDNET (Minority Business Development Agency)

Builders Exchanges: The Authority sent its Invitation for Bid Documents, Plans & Specifications to the following Builders Exchanges, where the documents are available to Contractors for review and bid preparation:

- San Francisco Builders Exchange,
- Peninsula Builders Exchange,
- Builders Exchange of Alameda County,
- Santa Clara Builders Exchange,
- Contra Costa Builders Exchange,
- BV2HP Builders Exchange,
- MECA Builders Exchange (member base composed of small DBE, M/WBE firms),
- Marin Builders Exchange,
- Construction Data Plan Room,
- San Francisco Building and Construction Trade Council,
- Local Union 38, Plumbers Union,
- Local Union 6, International Brotherhood of Electrical Workers.

Four (4) potential bidders requested the Invitation for Bid Documents, Plans & Specifications that were issued by HD&M. The on-site bid walk was conducted by HD&M on April 20, 2004. In attendance were three (3) contractors along with the Consultant and Authority staff members. Following the bid walk, staff contacted the Plumbers Union Local 38 Business Agent to enlist his support in encouraging more bidders.

BIDDER SELECTION PROCESS

The closing date for the solicitation was May 5, 2004, and the Authority received bids from one (1) responsive and responsible contractor. The bid documents were publicly opened and read aloud. The submittal documents were reviewed by HD&M and forwarded to P&C for review and approval to prepare this Resolution. Because the bid exceeds $100,000 and only one bid was received, HUD approval is required to award the Contract. HUD has approved the award. The Contractor's bid is as follows:

BID PROPOSALS:

Bidder	Bid Proposal	25% Resident Hiring	Contractor MBE/ WBE	Sub Contractors	MBE/WBE Sub Contractor % Of Total Job	Total MBE/ WBE
Sonomarin Inc.	$237,818	Yes	No	Three	20.52%	20.52%

Of the four contractors that acquired a $35 non-refundable fee for the Construction Documents, only one submitted a bid. When the other three contractors were asked why they did not submit a bid, one said that the job was too small`, the other said that they were too busy, and the third declined to answer.

Per HUD-5369 Instructions to Bidders, the contract award is based on the lowest, responsive, and responsible bidder. Based on the above, the lowest, responsive, and responsible bidder is Sonomarin, Inc. They are pursuing one position for resident hiring.

Sonomarin's bid is 4% lower than the cost estimate. Upon request, Sonomarin Inc. reviewed their bid and informed Procurement that they stood by their bid. They are a small firm of two partners, and they do most of the work themselves. Their submitted job cost breakdown was analyzed by the Authority's consultant and was found to be realistic and acceptable.

According to the reference check on past projects performed by Sonomarin Inc., the firm is a responsible contractor with a good record. They have performed similar contracts for other public agencies and have a good history of minimizing contractor initiated change orders. Sonomarin Inc. has performed exceptionally well for the nearly completed Authority project for Domestic Hot Water Heaters, Storage Tanks, Associated Equipment, and Piping Replacement at CAL 1-1, Holly Courts. Sonomarin Inc. is completing the project ahead of schedule, and minor work not in the scope of contract work is performed without requests for Change Orders. A debarment check was made and shows that Sonomarin, Inc. is not debarred from Federal Procurement and Non-Procurement work.

OBJECTIVES

The objective of the Resolution is to authorize the Executive Director to enter into a contract for the demolition and replacement of the existing heating boiler, domestic hot water heater, pumps, accessories, controls, vents, and pipes located in the boiler room.

Work under this contract will generally include, but not be limited to, the following:

a. Site survey and verification of existing conditions.

b. Demolition and removal of asbestos in accordance with "SFHA Hazardous Materials Procedure".

c. Demolition and replacement of the existing heating and domestic hot boilers, pumps, accessories, controls, and pipes.

d. Furnishing and installing all new equipment and accessories.

e. Provide new electrical panel in the boiler room from the garage area, and

f. Provide heating and domestic hot water to the residential units at all times during construction.

PRESENT SITUATION

25 Sanchez Street is a San Francisco Housing Authority senior development comprised of a building built in 1972. The 32-year-old heating boiler, domestic hot water boiler, storage tank, associated equipment and piping have deteriorated beyond any repairs and need to be replaced immediately to assure continuous heat and hot water to the Development's senior and disabled residents.

ANTICIPATED OUTCOMES

Replacement of the heating and domestic hot water boilers, storage tank, associated equipment, and piping will provide energy efficient, uninterrupted heating and hot water to the residents. The Authority's maintenance department will be relieved of the constant calls for repairs and restoration of service to the residents. Sonomarin, Inc. will provide a two-year guarantee for materials and workmanship in compliance with Authority standards.

WHO BENEFITS

Public housing residents will benefit from improved living conditions with no interruptions in heating and hot water service. The energy efficiency of the new water heater system, and the absence of maintenance calls will result in substantial operating savings to the Authority. The capital improvements will also benefit the Authority's real property assets and add to the longevity of the structures. The project will also provide employment for public housing residents under the resident hiring requirements. By hiring residents, Sonomarin, Inc. is helping to create a pool of qualified residents for future work on similar Authority construction projects.

BUDGET CONSIDERATION

The Heating and Hot Water Boilers, and Piping Replacement is funded in the Year 2003 Capital Fund Program budgets. The low bid is 4% less than the independent cost estimate and budgeted amount.

RESIDENT HIRING

Sonomarin, Inc. is committed to exceeding the 25 percent resident hiring goal on this job. The contractor estimates that it will take about 750 hours to complete the project, of which a minimum 187.5 hours will be resident hire employment. Sonomarin, Inc. plans to hire the same resident that is employed for the current Housing Authority project at Holly Courts where the resident hire hours exceed 33% of the total hours worked.

MBE/WBE PARTICIPATION

Sonomarin is a small firm of two partners, and they do most of the work themselves. Sonomarin has achieved 20.52% MBE/WBE participation with its listed subcontractors and suppliers.

RECOMMENDATION

Sonomarin Inc. has submitted the lowest, responsive, and responsible bid. They are committed to continue exceeding the 25% resident hiring requirement. Funding is available in the 2003 Capital Fund Programs. Because boilers are in need of immediate replacement, the staff urges adoption of this Resolution authorizing the Executive Director to enter into a contract with Sonomarin, Inc. for the Heating and Domestic Hot Water Boilers Replacement Work at CAL 1-31, 25 Sanchez Street, in an amount not to exceed $237,818.

(Prepared by: Basil Nicolaou, Robert Dahlstrom and Barbara Smith)

RESOLUTION NO. 5156
ADOPTED 6/24/04

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH SONOMARIN, INC. FOR THE HEATING AND DOMESTIC HOT WATER BOILERS REPLACEMENT WORK AT CAL 1-31, 25 SANCHEZ STREET, IN AN AMOUNT NOT TO EXCEED $237,818.

WHEREAS, The San Francisco Housing Authority publicly advertised Solicitation No. 04-620-IFB-008 for Heating and Domestic Hot Water Boilers Replacement at CAL 1-31, 25 Sanchez Street, and

WHEREAS, Sonomarin, Inc. submitted the lowest responsive and responsible bid of $237,818 to provide for the Heating and Domestic Hot Water Boilers Replacement Work at CAL 1-31, 25 Sanchez Street; and

WHEREAS, these services are necessary to protect the health and welfare of residents; and

WHEREAS, funding is available through the HUD 2003 Capital Fund Program; and

WHEREAS, the procurement process for those actions covered by this Resolution meet the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and State of California and local laws; and

WHEREAS, all additional relevant documents submitted by the low bidder have been reviewed and found to be in order; and

WHEREAS, Sonomarin, Inc. will meet the Resident Hiring requirements.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is authorized to execute a contract with Sonomarin, Inc. for the Heating and Domestic Hot Water Boilers Replacement Work at CAL 1-31, 25 Sanchez Street, in an amount Not-To-Exceed $237,818.
2. This Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

Donna Martin
DONNA MARTIN, General Counsel

Date: 6-21-04

REVIEWED BY:

GREGG FORTNER, Executive Director

Date: 6/21/04

D

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94112 • (415) 554-1200

DATE: June 24, 2004

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

Julie Lee, President
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH KITECH SECURITY SYSTEMS, INC. FOR THE ACCESSIBLE ENTRY SYSTEM REPLACEMENT WORK AT CAL 1-18(1), J.F.K. TOWERS; CAL 1-19(1), 990 PACIFIC AVENUE; CAL 1-23, 1880 PINE STREET; CAL 1-28, 666 ELLIS STREET; CAL 1-29, 345 ARGUELLO BLVD.; CAL 1-31, 25 SANCHEZ STREET; CAL 1-32, 1750 BUSH STREET; CAL 1-35, 2698 CALIFORNIA STREET, IN AN AMOUNT NOT TO EXCEED $93,000**

OVERVIEW

This Resolution will authorize the Executive Director to enter into a contract with Kitech Security Systems, Inc. for the Accessible Entry System Replacement work at J.F.K. Towers, 990 Pacific Avenue, 1880 Pine Street, 666 Ellis Street, 345 Arguello Blvd., 25 Sanchez Street, 1750 Bush Street, and 2698 California Street senior developments.

These senior developments were built in 1966 to 1973. They are mid-rise and high-rise buildings with 710 senior and disabled dwelling units. The Entry Systems are over thirty years old; some of them are forty years old and beyond repair. The current entry systems are unreliable and their replacement is urgently needed to ensure safety and security to senior and disabled residents.

PROCUREMENT

The Authority issued Solicitation No. 04-620-IFB-004 on May 3, 2004, following review and approval of the solicitation by the Finance and Procurement Departments. The procurement

process for the action covered by this Resolution meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws.

The Housing Development & Modernization Department (HD&M) developed the Invitation for Bid Documents, Plans & Specifications based on master procurement documents furnished by the Authority's Procurement & Contracts Department and Construction Documents (Drawings and technical specifications) furnished by the Authority's Electrical Engineering Services Consultant, F.W. Associates, Inc. The documents were reviewed and approved by the Procurement & Contracts Department (P&C) prior to the start of the bid process.

The Authority advertised for bidders and outreached to potential bidders as follows:

Past Bidders List, Contractors Blue Book & Yellow Pages: The Authority e-mailed, faxed or mailed its Invitation for Bid advertisement to two hundred seventeen (217) individual contractors from the Authority's Past Bidders List, the Contractors Blue Book and Telephone Directory Yellow Pages.

HRC: The Authority e-mailed, faxed or mailed its Invitation for Bid advertisement to one hundred twenty two (122) MBE/WBE contractor listed by the San Francisco Human Rights Commission.

- **Labor Unions:** The Authority mailed its Invitation for Bids Documents, Plans & Specifications to the San Francisco Buildings Trade Council, and Local Union 6, International Brotherhood of Electrical Workers.

Newspapers: The Authority publicly advertised its Invitation for Bid advertisement in the following newspapers:
Daily Pacific Builder, (trade publication)
San Francisco Bay View, (African American community)
Sing Tao Daily, (Asian American Community)

Additional Newspapers: The Authority e-mailed its Invitation for Bid advertisement to the San Francisco Board of Supervisors office who placed the advertisement in the following community newspapers:

- El Latino (Hispanic American community),
- El Reportero (Hispanic American community),
- Asian Week (Chinese American community),
- Chinese Times (Chinese American community),
- San Francisco Bay Times (Lesbian/Gay/Bi-sexual/Transgender community),
- San Francisco Spectrum (Lesbian/Gay/Bi-sexual/Transgender community).

Public Agency Websites: The Authority e-mailed its Invitation for Bid advertisement to the following agencies who placed the advertisement in their website bulletin boards:

- City and County of San Francisco (City Purchasing Department),
- California State Contracts Register (Office of Small Business Certification and Resources),
- Small Business Administration's PRO-Net (Office of Government Contracting & Minority Enterprise Development).

- U.S. Department of Commerce's BIDNET (Minority Business Development Agency)

Builders Exchanges: The Authority sent its Invitation for Bid Documents, Plans & Specifications to the following Builders Exchanges, where the documents are available to Contractors for review and bid preparation:

- San Francisco Builders Exchange,
- Peninsula Builders Exchange,
- Builders Exchange of Alameda County,
- Santa Clara Builders Exchange,
- Contra Costa Builders Exchange,
- BV2HP Builders Exchange,
- MECA Builders Exchange (member base composed of small DBE, M/WBE firms),
- Marin Builders Exchange,
- Construction Data Plan Room,
- San Francisco Building and Construction Trade Council,

Five (5) potential bidders requested the Invitation for Bid Documents, Plans & Specifications that were issued by HD&M. The on-site bid walk was conducted by HD&M on May 18, 2004. In attendance were four (4) contractors along with the Consultant, and Authority staff members.

BIDDER SELECTION PROCESS

The closing date for the solicitation was June 3, 2004. The Authority received a bid from one (1) responsive and responsible contractor. The bid documents were publicly opened and read aloud. The submittal documents were reviewed by HD&M and forwarded to P&C for review and approval, and for approval to prepare this Resolution. The contractor's bid is as follows:

BID PROPOSALS:

Bidder	Bid Proposal	25% Resident Hiring	Contractor MBE/ WBE	Sub Contractors	MBE/WBE Sub Contractor % Of Total Job	Total MBE/ WBE
Kitech Security System, Inc.	$93,000	Yes	Yes	_	_	100%

Per HUD-5369 Instructions to Bidders, the contract award is based on the lowest, responsive, and responsible bidder. Based on the above, the lowest, responsive, and responsible bidder is Kitech Security Systems, Inc. They are pursuing one position for resident hiring.

Kitech Security Systems's bid is 10% lower than the cost estimate. Upon request, Kitech Security Systems, Inc. reviewed their bid and informed Procurement that they stood by their bid. They are a small MBE firm, and they do all the work themselves. Their submitted job cost breakdown was analyzed, and the Authority compared their price with recently completed similar projects. Their price per Development is similar but more cost effective as it includes battery back up units and

time clocks.

According to the reference check on past projects performed by Kitech Security Systems, Inc., the firm is a responsible contractor with a good record. They have performed similar contracts for other public agencies and have a good history of minimizing contractor initiated change orders. A debarment check was made and shows that Kitech Security Systems, Inc. is not debarred from Federal Procurement and Non-Procurement work.

OBJECTIVES

The objective of the Resolution is to authorize the Executive Director to enter into a contract for the demolition and replacement of the existing entry system.

Work under this contract will generally include, but not be limited to, the following:

a. Site survey and verification of existing conditions.

b. Demolition and replacement of the existing entry systems.

c. Furnishing and installing all new accessible entry system and accessories.

PRESENT SITUATION

These eight senior developments were built in 1966 to 1973. The 30 to 40-year-old entry systems have deteriorated beyond any repairs, and the old entry systems don't provide audio and visual assistance for tenant and visitor with disabilities. They do not comply with the ADA requirements. The old entry systems need to be replaced immediately to assure safety, security and accessibility to the Development's senior and disabled residents.

ANTICIPATED OUTCOMES

Replacement of the entry system will provide safety, security and accessibility to the residents. The Authority's maintenance department will be relieved of the constant calls for repairs and restoration of service to the residents. Kitech Security Systems, Inc. will provide a two-year guarantee for materials and workmanship in compliance with Authority standards.

WHO BENEFITS

Public housing residents will benefit from improved living conditions with no interruptions in building entry service. The new ADA compliant accessible entry system provides both audio and visual assistance for tenant or visitor with disabilities. The absence of maintenance calls will result in substantial operating savings to the Authority. The capital improvements will also benefit the Authority's real property assets and add to the longevity of the structures. The project will also provide employment for public housing residents under the resident hiring requirements. By hiring residents, Kitech Security Systems, Inc. is helping to create a pool of qualified residents for future work on similar Authority construction projects.

BUDGET CONSIDERATION

The Accessible Entry System Replacement is funded in the Year 2002 Capital Fund Program budgets. The low bid is 10% less than the independent cost estimate and budgeted amount.

RESIDENT HIRING

Kitech Security Systems, Inc. is committed to exceeding the 25 percent resident hiring goal on this job. The contractor estimates that it will take about 350 hours to complete the project, of which a minimum 100 hours will be resident hire employment. Kitech Security Systems, Inc. plans to hire one resident, and the resident hire hours will exceed 28% of the total hours worked.

MBE/WBE PARTICIPATION

Kitech Security Systems, Inc. is a small 100% MBE firm, and they do all of the work themselves

RECOMMENDATION

Kitech Security Systems, Inc. has submitted the lowest, responsive, and responsible bid. They are committed to exceeding the 25% resident hiring requirement. Funding is available in the 2003 Capital Fund Programs. Because entry systems are in need of immediate replacement, the staff urges adoption of this Resolution authorizing the Executive Director to enter into a contract with Kitech Security Systems Inc. for the Accessible Entry System Replacement Work at J.F.K. Towers, 990 Pacific Avenue, 1880 Pine Street, 666 Ellis Street, 345 Arguello Blvd, 25 Sanchez Street, 1750 Bush Street, 2698 California Street, in an amount not to exceed $93,000.

(Prepared by: Francis Eng, Robert Dahlstrom and Barbara Smith)

RESOLUTION NO. 5157
ADOPTED 6/24/04

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH KITECH SECURITY SYSTEMS, INC. FOR THE ACCESSIBLE ENTRY SYSTEM REPLACEMENT WORK AT CAL 1-18(1), J.F.K. TOWERS; CAL 1-19(1), 990 PACIFIC AVENUE; CAL 1-23, 1880 PINE STREET; CAL 1-28, 666 ELLIS STREET; CAL 1-29, 345 ARGUELLO BLVD.; CAL 1-31, 25 SANCHEZ STREET; CAL 1-32, 1750 BUSH STREET; CAL 1-35, 2698 CALIFORNIA STREET, IN AN AMOUNT NOT TO EXCEED $93,000.

WHEREAS, The San Francisco Housing Authority publicly advertised Solicitation No. 04-620-IFB-004 for Accessible Entry System Replacement at CAL 1-18(1), J.F.K. Towers; CAL 1-19(1), 990 Pacific Avenue; CAL 1-23, 1880 Pine Street; CAL 1-28, 666 Ellis Street; CAL 1-29, 345 Arguello Blvd.; CAL 1-31, 25 Sanchez Street; CAL 1-32, 1750 Bush Street; CAL 1-35, 2698 California Street; and

WHEREAS, Kitech Security Systems, Inc. submitted the lowest responsive and responsible bid of $93,000 to provide the Accessible Entry System Replacement Work; and

WHEREAS, these services are necessary to protect the health and welfare of residents; and

WHEREAS, funding is available through the HUD 2002 Capital Fund Program; and

WHEREAS, the procurement process for those actions covered by this Resolution meet the procurement standards of 24 CFR 85.36 "Procurement," HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities," the San Francisco Housing Authority Procurement Policy Manual and State of California and local laws; and

WHEREAS, all additional relevant documents submitted by the low bidder have been reviewed and found to be in order; and

WHEREAS, Kitech Security Systems, Inc. will meet the Resident Hiring requirements.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is authorized to execute a contract with Kitech Security Systems, Inc. for the Accessible Entry System Replacement Work at CAL 1-18(1), J.F.K. Towers; CAL 1-19(1), 990 Pacific Avenue; CAL 1-23, 1880 Pine Street; CAL 1-28, 666 Ellis Street; CAL 1-29, 345 Arguello Blvd.; CAL 1-31, 25 Sanchez Street; CAL 1-32, 1750 Bush Street; CAL 1-35, 2698 California Street, in an amount Not-To-Exceed $93,000.
2. This Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

Donna Martin
DONNA MARTIN, General Counsel

Date: 6-21-04

REVIEWED BY:

GREGG FORTNER, Executive Director

Date: 6/21/04

SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO • CALIFORNIA • 94102 • (415) 554-1200

CERTIFICATE

I, Julie Lee, duly elected President of the Board of Commissioners of the Housing Authority of the City and County of San Francisco, do hereby certify that the following was adopted at the Regular Meeting of the Commission held on June 24, 2004:

RESOLUTION NO. 5157

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH KITECH SECURITY SYSTEMS, INC. FOR THE ACCESSIBLE ENTRY SYSTEM REPLACEMENT WORK AT CAL 1-18(1), J.F.K. TOWERS; CAL 1-19(1), 990 PACIFIC AVENUE; CAL 1-23, 1880 PINE STREET; CAL 1-28, 666 ELLIS STREET; CAL 1-29, 345 ARGUELLO BLVD.; CAL 1-31, 25 SANCHEZ STREET; CAL 1-32, 1750 BUSH STREET; CAL 1-35, 2698 CALIFORNIA STREET, IN AN AMOUNT NOT TO EXCEED $93,000.00

Attached is a true and correct copy of the Resolution as adopted at the said meeting, on file and on record as adopted by the following vote of the Members:

FOR ADOPTION:

Julie Lee
George R. Brown
Sululagi Palega, Sr.
Betty J. Smith
Neola Gans
George Woodruff

AGAINST ADOPTION:

ABSENT (EXCUSED):

IN TESTIMONY, WHEREOF, I have hereto set my hand and seal of said Authority this date: December 9, 2004.

Julie Lee, President
SFHA Commission

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SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94112 • (415) 554-1200

DATE: June 24, 2004

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

Julie Lee, President
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: GREGG FORTNER, SECRETARY / EXECUTIVE DIRECTOR

RE: RESOLUTION TO ACCEPT 2004 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING AND ACKNOWLEDGE AWARENESS OF RESPONSIBILITIES AND LIMITATIONS FOR ROOFING REPLACEMENT AND 504/ADA IMPROVEMENTS AT THE MILTON MEYER RECREATION CENTER, LOCATED AT 195 KISKA AVE., AT CAL 1-17A, HUNTERS POINT; AND THE CONSTRUCTION OF A YOUTH CENTER AT 795 PACIFIC AVE., AT CAL 1-18 (6), PING YUEN NORTH

OVERVIEW

Every year the Mayor's Office of Community Development (MOCD), in partnership with the Mayor's Office of Housing (MOH), issues a Request for Proposals (RFP) for the Community Development Block Grant (CDBG) and Emergency Shelters Grant (ESG) Programs. As part of Mayor Brown's vision and leadership, this economic activity is expressly directed to strengthening the economic and social health of lower-income neighborhoods and ensuring that economically disadvantaged persons or communities are provided real opportunities for participation and advancement.

On January 8, 2004, the Commission approved Resolution No. 5136 approving the submittal of the Authority's CDBG Applications.

On March 2004 the Citizen's Committee on Community Development (CCCD) recommended $665,000 in funding for the San Francisco Housing Authority for capital improvements to renovate the roofs and provide ADA accessibility to the gymnasium and bathrooms at the Milton Meyer Recreation Center, located at 195 Kiska Road and $244,000 to convert storage space into a youth center at Ping Yuen North, 838 Pacific Avenue.

On April 7, 2004, the Authority made a presentation to the Citizen's Committee thanking them for the funding recommendation.

Now that our 2004 CDBG Grant Applications have been recommended, we must seek the approval of the Commission to authorize the Executive Director to conduct all negotiations, execute and submit all contract documents, including but not limited to, applications, agreements, amendments, payment requests, and reports which may be necessary for completion of the funded work. The work includes renovation of the roofs and ADA accessibility to the gymnasium and bathrooms at the Milton Meyer Recreation Center and the conversion of the storage space into a youth center at Ping Yuen North. With the Commission's approval, we can begin work on the projects and incur reimbursable expenses against the awarded funds.

PROCUREMENT
Not Applicable

OBJECTIVES
In accepting the 2004 CDBG funding, the Authority intends to improve the quality of life of residents by addressing the need for more controlled and structured recreational programs for our youth provided in renovated, accessible facilities.

PRESENT SITUATION.
The Youth Center is planned to be developed at the 795 Pacific, Ping Yuen North Development. The Authority is planning to improve a little used storage room located near the existing Computer Learning Center. By remodeling the area, both rooms will be linked to create a much-needed Youth Center. Existing lavatories will also be remodeled to be ADA/504 compliant.

The Milton Meyer Gym is located on SFHA property and is managed by the San Francisco Park and Recreation Department. Although an accessible route is in place at the facility, the basketball court and the bathrooms are not ADA complaint. The intent for this project is to make the entire facility accessible for the disable. In addition, the roof has outlived its lifespan and is in need of replacement to protect the structures from water damage during the rainy season.

ANTICIPATED OUTCOMES
Our goal is build a stronger community through recreation and educational programs which foster better relationships among our residents.

The anticipated outcomes are as follows:

- New utilization of spaces providing vital educational services to low and moderate-income residents,
- An increase in the number of accessible community facilities to provide improved services to persons with disabilities,
- Compliance with Federal, State and City accessibility codes reducing the Authority's liability exposure,
- Involvement of residents in training and employment.

WHO BENEFITS
The residents at Hunter's Point, Ping Yuen and Ping Yuen North Developments as well as residents in the surrounding neighborhoods, will benefit from a safe place to socialize and participate in recreation activities and activities benefiting the community at large

Public housing residents will benefit from employment opportunities, economic development opportunities and reactivation of the childcare center programs. Families, seniors and disabled will benefit from the accessible learning center facility. The neighborhood and city will benefit from improved opportunities for residents.

BUDGET CONSIDERATIONS
For CDBG grants of $100,000 or more for the rehabilitation of an existing facility, applicants must provide at least 15% of project costs by the beginning of construction or funds to pay for all architectural/engineering services and related pre-construction expenses. The Authority will fund the A/E consultant services and related pre-construction expenses, which funds are already included in the 2003 Capital Fund Program budget.

RESIDENT EMPLOYMENT
The Authority will procure a contractor who will be subject to HUD's Section 3 requirements and to the Authority's requirement that residents perform a minimum of 25% of the work.

MBE/WBE STATUS
Contractors will be subject to the Authority's Affirmative Action Policies.

RECOMMENDATION
Staff urges the adoption of the attached resolution.

(Materials Prepared by: Robert Dahlstrom and Alicia Sisca)

RESOLUTION NO. 5158
DATE ADOPTED 6/24/04

RESOLUTION TO ACCEPT 2004 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING AND ACKNOWLEDGE AWARENESS OF RESPONSIBILITIES AND LIMITATIONS FOR ROOFING REPLACEMENT AND 504/ADA IMPROVEMENTS AT THE MILTON MEYER RECREATION CENTER, LOCATED AT 195 KISKA AVE., AT CAL 1-17A, HUNTERS POINT; AND THE CONSTRUCTION OF A YOUTH CENTER AT 795 PACIFIC AVE., AT CAL 1-18 (6), PING YUEN NORTH

WHEREAS, the San Francisco Mayor's Office of Community Development (MOCD), in partnership with the Mayor's Office of Housing (MOH), issued a Request for Proposals (RFP) for the 2004 Community Development Block Grant (CDBG) and Emergency Shelters Grant (ESG) Programs; and

WHEREAS, on January 8, 2004, the San Francisco Housing Authority (Authority) Commission approved Resolution No. 5136 authorizing the submittal of the Authority's CDBG applications; and

WHEREAS, for the year 2004, the Citizen's Committee on Community Development (CCCD) recommended $665,000 in funding for the San Francisco Housing Authority for capital improvements to renovate the roofs and provide ADA accessibility to the gymnasium and bathrooms at the Milton Meyer Recreation Center, located at 195 Kiska Road, and $244,000 to convert storage space into a youth center at Ping Yuen North, 838 Pacific Avenue; and

WHEREAS, the Authority recognizes that the proposed projects meet the requirements of the CDBG program; and

WHEREAS, procedures established by MOCD require the applicant for Community Development Block Grant (CDBG) and Emergency Shelters Grant (ESG) funding to certify by resolution the acceptance of CDBG or ESG funds prior to preparation of the City and the Authority Grant Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The President of the Board of Commissioners of the Authority is authorized to execute the required document: "Resolution of the Board of Commissioners" on behalf of the Board of Commissioners.

2. The Executive Director is authorized to conduct all negotiations, execute and submit all contract documents, including but not limited to applications, agreements, amendments, payment requests, and reports which may be necessary for the replacement of the roofs and the ADA accessibility improvements to the gymnasium and bathrooms at the Milton Meyer Recreation Center, located at 195 Kiska Road, and the conversion of a storage space into a youth center at Ping Yuen North, 838 Pacific Avenue.

3. The Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

Donna Martin

DONNA MARTIN,
General Counsel

Date: 6-21-04

REVIEWED BY:

GREGG FORTNER,
Executive Director

Date: 6/21/04

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SAN FRANCISCO HOUSING AUTHORITY

440 Turk Street • San Francisco, California • 94102 • (415) 554-1200

DATE: June 18, 2004

TO: **SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS**

Julie Lee, President
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: RESOLUTION AUTHORIZING THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO (AUTHORITY) TO HOLD A TEFRA (TAX EQUITY AND FISCAL RESPONSIBILITY ACT OF 1982) HEARING IN CONNECTION WITH THE PROPOSED ISSUANCE BY THE AUTHORITY OF MULTIFAMILY REVENUE REFUNDING BONDS FOR THE VALENCIA GARDENS HOPE VI NEW HOUSING DEVELOPMENT

OBJECTIVES

Approval of this resolution will enable the Housing Authority of the City and County of San Francisco (the "Authority") to publicly notice and hold an additional TEFRA (Tax Equity and Fiscal Responsibility Act of 1982) hearing in connection with the issuance of the Bonds for the new Valencia Gardens housing development. The hearing must be duly noticed at least 14 days prior to the hearing date for a public discussion of the bond issue and the Valencia Gardens project. In addition, comments from the public will be taken on the proposed financing. Since the financing structure calls for both Interim Bonds and Permanent Bonds, a TEFRA hearing for the Permanent Bonds is required, in addition to the hearing that was held on February 11, 2004, authorized by the Commission on January 22, 2004, for the Interim Bonds.

Documents related to the issuance of the Interim Bonds and the Permanent Bonds will be submitted to the Commission for approval prior to issuance of the Interim Bonds and the Permanent Bonds, expected at the July 22, 2004, Commission meeting as described in the June 10, 2004, Commission memorandum, Valencia Gardens Update and Upcoming Commission Actions. All documents relating to issuance of the Permanent Bonds will be subject to any required HUD approvals, and all documents relating to the issuance of the Interim Bonds and the Permanent Bonds will be subject to approval by Authority legal counsel.

OVERVIEW

There are eight sources of funds for revitalization of Valencia Gardens. Two of these sources of funds, the HUD HOPE VI Award and $40 million in tax-exempt (below market rate) bond funds, require additional Commission authorizations prior to closing and start of construction. The Authority will not be pledging any of its assets as the issuer of the bonds. The bonds will be special limited obligation bonds that will be repaid from Valencia Gardens project-specific resources.

The Authority is authorized by the California Health and Safety Code (the "Act") to issue revenue bonds and use the proceeds to build housing in the City and County for low-income households at rentals they can afford. The Authority intends to accomplish this public purpose under the Act by providing a portion of the financing to the Valencia Gardens Housing Limited Partnership, (the "Borrower") for Valencia Gardens, a "housing project" as defined in the Act, through the issuance of $40,000,000 of revenue bonds on a tax-exempt basis under Federal law.

On February 18, 2004, the Authority applied to the California Debt Limit Allocation Committee (CDLAC) for authority to issue tax-exempt bonds for Valencia Gardens. On April 21, 2004, CDLAC allocated $40,000,000 of the State Ceiling on Qualified Private Activity Bonds to the Authority for the bond issue. A condition of this approval is that bonds be issued by August 9, 2004, for the utilization of available volume cap under the Internal Revenue Code (the "Code"), and State law, necessary for the issuance of the Permanent Bonds on a tax-exempt basis under Federal Law. The HOPE VI Mixed Finance evidentiary review and approval process with the U.S. Department of Housing and Urban Development ("HUD") is on schedule to close by September 30, 2004.

In view of the CDLAC deadline for issuance of the bonds and the lengthy HUD evidentiary review and approval process, the issuance of Permanent Bonds cannot be accomplished prior to the timing deadlines established by CDLAC. The revenue bonds must be issued on an interim basis, first as Interim Bonds in order to meet the August 9 deadline. At closing, the Interim Bonds will be refunded and bonds will be issued on a permanent basis as Permanent Bonds. This bond structure, both Interim and Permanent Bonds, requires an additional TEFRA hearing for the Permanent Bonds.

PRESENT SITUATION

Demolition is complete and the Valencia Gardens closing is on schedule for the end of September. Construction will commence this October. At this time, all financing commitments are in place and final documents are being negotiated. Qualified Bond Counsel and Underwriter were added to the Authority's advisory team to carry out the bond issue: Kutak Rock Bond Counsel and Merrill Lynch Underwriter, along with CSG Advisors, Goldfarb Lipman and Authority staff. Bond Counsel passes on the validity of the Bonds under state law and the tax-exempt status of the Bonds under federal and state law. Bond Counsel is also drafting the main bond financing documents such as the Indenture, Loan Agreement, Regulatory Agreement and closing papers. The Underwriter is structuring the bond issue, assisting the project owner in

choosing the optimal financing structure, coordinating financing participants, obtaining bond rating and selling the bonds.

Prior to actually issuing the bonds, on July 22, the Commission will be asked to authorize the issue and execution of documents related to the bond transactions. The basic documents are listed below.

- ***Official Statement*** – describes the transaction to bond purchasers; gives required disclosures.
- ***Trust Indenture*** – provides for trustee to control issuance of bonds, use of bond proceeds and repayment on behalf of bondholders
- ***Bond Purchase Agreement*** – agreement by the underwriter to purchase the bonds from the Authority.
- ***Loan Agreement*** – Authority loans bond proceeds to the partnership, the partnership is obligated to repay the loan to the Authority, and the Authority is obligated to repay the bondholders.
- ***Escrow Agreement*** – agreement between the Authority and the limited partnership to form an escrow account that will be used to repay the bonds.

SCHEDULE

June 24	Commission Meeting to: • Authorize additional TEFRA Hearing in connection with the $40 Million Tax Exempt Bond Issue • Authorize submission of the Rental Term Sheet – Project Summary to HUD • Provide Draft Evidentiary Closing Documents to Commission
July 6	Submit Rental Term Sheet to HUD
July 22	Commission approval of evidentiaries in substantially final form and authorization to submit them to HUD Adoption of a bond resolution for Interim and Permanent Bond financing.
July 30	Submission of evidentiaries to HUD Complete signing of Interim Bond Documents Execution of Construction Contract
August 5	Close Interim Bonds
September 28-29	Close Permanent Bonds
September 30	Close on All Financing
October 29	Commence Construction

BUDGET CONSIDERATIONS

This resolution does not bind the Authority to make any expenditure, incur any indebtedness or proceed with the issuance of the Interim Bonds or Permanent Bonds in order to finance the revitalization of Valencia Gardens. The Authority shall have no liability whatsoever with respect to the bonds. Additional documents related to the issuance of bonds will be submitted to the Commission for approval prior to issuance of the Bonds in July of 2004.

The financing plan for Valencia Gardens includes up to $40 million in tax-exempt (below market rate) bond funds for construction financing. Utilization of the bond funds will also provide access on a noncompetitive basis to 4% tax credits for $25.9 million in tax credit equity. The maximum principal amount of the Permanent Bonds to be issued for the Project is $40,000,000. The purpose of the Permanent Bonds is to refinance the Interim Bonds, previously approved in a maximum principal amount of $40,000,000.

Bond Counsel, Underwriter and all other bond-related consultant costs will be paid out of the bond proceeds once the bonds have been successfully issued.

WHO BENEFITS

The Authority will be authorized to provide legal notice and schedule the TEFRA hearing with respect to the Permanent Bonds. The Valencia Gardens residents, the Authority, the Mission District neighborhood and the City all benefit from securing all of the financing and the successful and expeditious implementation of this plan for safe well-designed housing and amenities at this site.

RECOMMENDATION

Staff recommends adoption of this Resolution.

(Materials prepared by Barbara T. Smith, Housing Development and Modernization Department)

RESOLUTION NO. 5159

DATE ADOPTED: 6/24/04

RESOLUTION AUTHORIZING THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO TO HOLD A TEFRA (TAX EQUITY AND FISCAL RESPONSIBILITY ACT OF 1982) HEARING IN CONNECTION WITH THE PROPOSED ISSUANCE BY THE AUTHORITY OF MULTIFAMILY REVENUE REFUNDING BONDS FOR THE VALENCIA GARDENS HOPE VI NEW HOUSING DEVELOPMENT

WHEREAS, the Housing Authority of the City and County of San Francisco (the Authority) and the United States Department of Housing and Urban Development ("HUD") executed a HOPE VI Grant Agreement (the "Grant Agreement") for $23,230,641 of HOPE VI funds to finance the revitalization of the Valencia Gardens public housing development (the "Project"), which will consist of the demolition of the existing two hundred forty-six (246) apartment units on the property (the "Existing Units"), and the new construction of two hundred and sixty (260) apartment units and up to eleven thousand (11,000) square feet of community facilities, childcare center, community learning center and property management offices; and

WHEREAS, the Commissioners of the Authority (the "Commissioners") adopted Resolution #4940 on October 26, 2000, authorizing the Executive Director to execute a Memorandum of Understanding and Predevelopment Loan Agreement with Mission Housing Development Corporation (MHDC), as amended by Resolution #5088 on March 13, 2003, as evidenced by that certain Amended and Restated Memorandum of Understanding (collectively, the "MOU") for the purpose of negotiating the terms and conditions of the DDA (as defined below), for the revitalization of the Valencia Gardens public housing site under the HOPE VI program; and

WHEREAS, on November 13, 2004, the Commissioners adopted Resolution #5129 making findings in connection with environmental review of the Project; authorizing the Executive Director to enter into a Disposition and Development Agreement (the "DDA")with MHDC; and authorizing the Executive Director to negotiate HUD evidentiaries for the HOPE VI revitalization of Valencia Gardens; and

WHEREAS, the Project will be financed with HOPE VI funds, funds from the San Francisco Redevelopment Agency (the "Agency"), funds from the State Department of Housing and Community Development, multifamily housing revenue bonds (tax-exempt bonds), low income housing tax equity, and private financing; and MHDC has requested that the Authority issue tax-exempt bonds in an aggregate principal amount not to exceed $40 million outstanding at any one time to assist in the financing of the Project; and

WHEREAS, the proceeds of the tax-exempt bonds will be loaned (the "Loan") to a limited partnership, to be formed pursuant to the DDA (the "Borrower"), for the purpose of financing a portion of the Project; and

WHEREAS, in order to apply to the California Debt Limit Allocation Committee (CDLAC) for authority to issue interim tax-exempt bonds (the “Interim Bonds”), on February 11, 2004, the Authority held a duly noticed public hearing (also know as the TEFRA hearing) to describe the Valencia Gardens housing proposal and its intent to issue tax-exempt bonds with proof of the hearing; and

WHEREAS, it is necessary as part of the financing of the Project that the Authority approve the issuance of tax-exempt bonds (the "Permanent Bonds") to refinance the Interim Bonds and provide the construction and permanent financing for the Project; and

WHEREAS, additional documents related to the issuance of the Interim Bonds and the Permanent Bonds will be submitted to the Commission for approval prior to issuance of the Interim Bonds and the Permanent Bonds expected in July of 2004; and

WHEREAS, all documents relating to issuance of the Permanent Bonds will be subject to any required HUD approvals, and all documents relating to the issuance of the Interim Bonds and the Permanent Bonds will be subject to approval by Authority legal counsel;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The above recitals are true and correct.

2. The Authority is hereby authorized to provide legal notice and schedule the TEFRA hearing with respect to the Permanent Bonds.

3. This Resolution does not bind the Authority to make any expenditure, incur any indebtedness, or proceed with the issuance of Interim Bonds or the Permanent Bonds in order to finance the revitalization of Valencia Gardens. The Authority shall have no liability whatsoever with respect to the Interim Bonds or the Permanent Bonds.

4. The maximum principal amount of the Permanent Bonds to be issued for the Project is $40,000,000. The purpose of the Permanent Bonds is to refinance the Interim Bonds, previously approved in a maximum principal amount of $40,000,000.

5. This Resolution does not supersede the prior resolutions of the Authority adopted with respect to the Interim Bonds or the Permanent Bonds.

6. This Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

Donna Martin

DONNA MARTIN, General Counsel

Date 6-21-04

REVIEWED BY:

GREGG FORTNER, Executive Director

Date 6/21/04

SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO • CALIFORNIA • 94102 • (415) 554-1200

CERTIFICATE

I, Julie Lee, duly elected President of the Board of Commissioners of the Housing Authority of the City and County of San Francisco, do hereby certify that the following was adopted at the Regular Meeting of the Commission held on June 24, 2004:

RESOLUTION NO. 5159

RESOLUTION AUTHORIZING THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO TO HOLD A TEFRA (TAX EQUITY AND FISCAL RESPONSIBILITY ACT OF 1982) HEARING IN CONNECTION WITH THE PROPOSED ISSUANCE BY THE AUTHORITY OF MULTIFAMILY REVENUE REFUNDING BONDS FOR THE VALENCIA GARDENS HOPE VI NEW HOUSING DEVELOPMENT

Attached is a true and correct copy of the Resolution as adopted at the said meeting, on file and on record as adopted by the following vote of the Members:

FOR ADOPTION:

Julie Lee
George . Brown
Sululagi Palega, Sr.
Betty J. Smith
Neola Gans
George Woodruff

AGAINST ADOPTION:

ABSENT (EXCUSED):

IN TESTIMONY, WHEREOF, I have hereto set my hand and seal of said Authority this date: December 9, 2004.

Julie Lee, President
SFHA Commission

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SAN FRANCISCO HOUSING AUTHORITY

440 Turk Street • San Francisco, California • 94102 • (415) 554-1200

DATE: June 18, 2004

TO: **SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS**

Julie Lee, President
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT A RENTAL TERM SHEET TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ("HUD") FOR THE VALENCIA GARDENS HOPE VI REVITALIZATION

OVERVIEW

The Valencia Gardens HOPE VI revitalization will be Mixed-Finance Public Housing. The Mixed-Finance Public Housing guidelines allow HUD to approve combined financing from public, private, and nonprofit sources to develop and operate housing developments. This structure has enabled the San Francisco Housing Authority (SFHA) to leverage an additional $50,745,947 in financing with the $23,230,641 HOPE VI grant for Valencia Gardens. A HUD requirement for the mixed financing is that the SFHA submits a Rental Term Sheet to HUD prior to submitting the evidentiary documents, planned for submission by July 30, 2004. The Rental Term Sheet describes the overall development program, financing and schedule along with the deal terms between the SFHA and other parties for the revitalization. This information was also provided to the Commission in the June 10, 2004, Valencia Gardens Update and Upcoming Commission Actions.

OBJECTIVES

Adoption of this resolution will authorize the Executive Director to submit a Rental Term Sheet to HUD and begin the final review process prior to closing in September 2004 and start of construction.

PRESENT SITUATION AND RENTAL TERM SHEET SUMMARY

Overall Development Program

The HUD-approved revitalization plan calls for demolition of the existing structures and construction of 260 new apartments with up to 11,000 square feet of community facilities, childcare center, computer learning center and property management offices. Approximately eighty percent of the newly constructed apartment units will be SFHA replacement units with Annual Contributions Contract or Section 8 project-based subsidies and approximately twenty percent will be low-income housing tax credit units for households with incomes at or below sixty percent of the area median income.

Community building activities, including economic development, self-sufficiency, supportive services, employment training and computer learning center have been a core part of the revitalization effort in order to assist current and future low income residents to gain self-sufficiency and revitalize the neighborhood. MHDC and the SFHA are working together to outreach, train and place residents in employment with priority for Valencia Gardens residents. To meet and exceed the Commission's 25 percent resident hiring requirements contained in Resolution 4967, MHDC's Resident Hiring Coordinator under the Resident Hiring Plan is directing the resident hiring. MHDC's general contractors have employed 19 residents during the environmental remediation and demolition process, a 31 percent resident participation. The contractor plans to hire 30 fulltime residents for construction. The consultants and development team employ two additional residents.

Financing

At this time, all financing commitments are in place and final documents are being negotiated. There are eight sources of funds for revitalization of Valencia Gardens. Two of these sources of funds, the HUD HOPE VI Award and $40 million in tax-exempt (below market rate) bond funds, require additional Commission authorizations prior to closing and start of construction.

On July 22, the Commission will be asked to authorize submission of evidentiary documents to HUD and execution of documents following HUD approval. At this meeting, the Commission will also be asked to authorize the issuance of the tax-exempt bonds and related agreements. The SFHA is acting as issuing authority for $40 million in tax-exempt bonds for construction of Valencia Gardens. Utilization of these bond funds is providing low interest financing as well as access on a noncompetitive basis to 4 percent tax credits for the $25,945,947 in tax credit equity for Valencia. By acting as issuer of the bonds, the SFHA allowed the project to seek the private activity bond allocation that was awarded on April 28, 2004. The sources of financing are summarized below:

Construction Financing

$10,800,000	Citibank Tax Exempt Construction Loan (converts to permanent 1st and 2nd loans)
$29,200,000	Citibank Tax Exempt Construction Only Loan

Permanent Financing

$15,716,275	HOPE VI Loan
$ 5,200,000	Citibank Tax Exempt 1st Mortgage
$ 5,600,000	Citibank Tax Exempt 2nd Mortgage
$ 7,000,000	State Multifamily Housing Program (MHP) Loan
$ 1,000,000	Affordable Housing Program (AHP) Loan
$ 5,000,000	San Francisco Redevelopment Agency Loan
$ 1,000,000	General Partner Equity
$25,945,947	Limited Partner Tax Credit Equity

Schedule

June 24 — Commission Meeting to:

- Authorize additional TEFRA Hearing in connection with the $40 Million Tax Exempt Bond Issue
- Authorize submission of the Rental Term Sheet – Project Summary to HUD
- Provide Draft Evidentiary Closing Documents to Commission

July 6 — Submit Rental Term Sheet to HUD

July 14, 2004 — TEFRA Hearing

July 22 — Commission approval of evidentiaries in substantially final form and authorization to submit them to HUD

Adoption of a bond resolution for Interim and Permanent Bond financing.

July 30 — Submission of evidentiaries to HUD
Complete signing of Interim Bond Documents
Execution of Construction Contract

August 5 — Close Interim Bonds

September 28-29 — Close Permanent Bonds
September 30 — Close on All Financing

October 29 — Commence Construction

Deal Terms Between Parties

The site will be leased by the SFHA to a limited equity partnership comprised of Mission Housing Development Corporation as Developer General Partner, Alliante Capital, Ltd. as Tax Credit Investor Limited Partner and the SFHA Housing Corporation as Special Limited Partner. The term of the lease is 65 years with an Option and Right of First Refusal for the SFHA or SFHA Affiliate to acquire the improvements after the 15 year Tax Credit Compliance Period.

The documents that the Commission will be asked to authorize on July 22 are all based on previously executed documents that were authorized by the Commission including the HOPE VI Grant Agreement between the SHFA and HUD and the following agreements between the SFHA and MHDC: Memorandum of Understanding, Predevelopment Loan Agreement and Preconstruction Services Agreement (PSA) and the Disposition and Development Agreement. These documents delineate the overall revitalization plan, responsibilities of the parties, financing, ownership structure, insurance and indemnification requirements, timeframe, and business parameters for the revitalization. They have become the basis for subsequent documents being finalized including, but not limited to, a new HUD declaration of trust, a ground lease, a regulatory and operating agreement, loan agreements, option agreements, an amendment to the Annual Contributions Contract, a management plan, and numerous documents related to the proposed tax exempt bonds and syndication of low-income housing tax credits. These documents are summarized briefly below:

1. Rental Term Sheet (Mixed Finance Proposal)—This HUD HOPE VI required submission summarizes the HOPE VI development proposal including: the number of units, unit sizes, ownership structure, reserves, sources and uses of funds, developer fees and public housing operating subsidy methodology. Many of the substantive terms of the Rental Term Sheet are duplicated at closing in the Mixed Finance Amendment to the Annual Contributions Contract (see #2 below).

2. Mixed Finance Amendment to the Consolidated Annual Contributions Contract (ACC)—This HUD HOPE VI required document amends the SFHA's existing Annual Contributions Contract (ACC) with HUD specifically for Valencia Gardens. Each of the SFHA's HOPE VI projects (Hayes Valley, Bernal Dwellings, Plaza East and North Beach) has its own Mixed Finance Amendment to the ACC. The various exhibits to this document describe the parties to this transaction, the financing, the unit mix, the flow of funds into the project during construction, and the list of all evidentiary documents that must be approved by HUD.

3. Ground Lease Agreement—This agreement will convey a leasehold interest in the to a Valencia Gardens limited partnership described above under ownership. During the term of the lease, the Partnership would not be able to alter the public housing or affordability restrictions on the project, resident hiring requirements, tenant selection criteria without the approval of the SFHA.

Under the Ground Lease, the Partnership may be obligated to make certain payments to the SFHA and Valencia reserves, including:

a) A payment to fund an Affordability Reserve for the ACC units, in case of reduction or elimination of the public housing ACC operating subsidy provided to the SFHA by HUD.
b) A payment to fund the Initial Operating Period Reserve, which will pay for operations of the public housing units after lease-up and prior to start up of HUD public housing ACC subsidies for the new housing (any unused funds will pass to SFHA).

c) Replacement Reserve in the amount of approximately $350 per unit per year for capital improvements.
d) A percent of ongoing cash flow.

The term of the lease would be 65 years. The terms of the leases for Bernal Dwellings, Plaza East and North Beach are 75 years. The terms are this long because they need to be longer than the 55-year affordability restrictions imposed by the Tax Credit Allocation Committee (TCAC), and allow sufficient time after those restrictions expire to permit, at least in theory, the collection of market rents to pay for previously accrued rent or HOPE VI loan repayments under this lease. The SFHA will retain its fee interest in the land, encumbered only by the land use restrictions and the Declaration of Trust.

4. Purchase Option Agreement & Right of First Refusal—SFHA will have an option to purchase the development after 15 years of operation, which is the TCAC tax credit compliance period. At this time, the investor-limited partner will leave the Partnership, provided any exit taxes are paid by the purchaser. The purchase price of the development will be the amount of the exit taxes and any outstanding debt. This debt may either be assumed by the SFHA or paid off as part of a refinancing of the project.

5. Regulatory and Operating Agreement—This agreement between the Partnership and the SHFA is expected to provide for the Partnership to receive not more than 95 percent of the operating subsidy the SFHA receives from HUD for the public housing units in the project. It also provides various reserves required by HUD to operate the project. If HUD reduces or eliminates its ACC subsidy to the SFHA, this document allows for "transformation remedies" to address the resulting funding gap that are consistent with HUD public housing requirements and reviewed by the SFHA prior to implementation. These remedies may include a development cost cutting plan, increasing the income and rental level of new public housing eligible tenants as vacant units are leased, providing Section 8 and possibly encouraging lower-income tenants to vacate the development in favor of higher income public housing eligible tenants.

6. Affordability Reserve Escrow Agreement—This document provides for the Partnership to fund, from non-SFHA sources, a reserve, which will supplement operating revenues in the event of a reduction or elimination of the ACC operating subsidy. This reserve is the property of the SFHA for use in this development.

7. Management Agreement—This document between the Partnership and its property management agent will set out the contractual terms for the management of the residential portion of the project.

8. Management Plan—This document between the SFHA, the Partnership, and the property management company will set out the tenant selection criteria, screening process and lease-up procedures to be utilized in filling vacancies at the project, both initially and over time. Relocated Valencia Gardens public housing residents who are in good standing have first right to return to the new housing. The Plan applies to public housing ACC units, Section 8 units and tax credit units that are not subsidized by either one of those programs.

9. HOPE VI Construction/Permanent Loan—By this document, the SFHA will provide a loan of HOPE VI funds to the Partnership for construction of the development. Interest will accrue during the term of the agreement. The principal and outstanding interest are due and payable to the SFHA upon expiration of the loan term. The SFHA's predevelopment loan to the developer is part of this loan and is deemed previously disbursed.

10. HOPE VI Loan Promissory Note—This document evidences the SFHA's loan to the Partnership for construction of the project. The note would be nonrecourse to the Partnership. It is supported by a completion guaranty by the developer.

11. Deed of Trust Assignment of Rents & Security Agreement—This document will be executed by the Partnership for the benefit of the SFHA and will be recorded against Partnership's leasehold interest in the project as security for the HOPE VI Loan.

WHO BENEFITS

The SFHA will be authorized to submit the Rental Term Sheet to HUD and start the review process for closing by September 30, 2004. The Valencia Gardens residents, the SFHA, the Mission District neighborhood and the City all benefit from obtaining final HUD approval for closing followed by the successful and expeditious implementation of this plan for safe well-designed housing and amenities at this site.

RECOMMENDATION

Staff recommends adoption of this Resolution.

(Materials prepared by Barbara T. Smith, Housing Development and Modernization Department)

RESOLUTION NO. 5160

DATE ADOPTED: 6/24/04

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT A RENTAL TERM SHEET TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ("HUD") FOR THE VALENCIA GARDENS HOPE VI REVITALIZATION

WHEREAS, the Housing Authority of the City and County of San Francisco (the Authority) and the United States Department of Housing and Urban Development ("HUD") executed a HOPE VI Grant Agreement (the "Grant Agreement") for $23,230,641 of HOPE VI funds to finance the revitalization of the Valencia Gardens public housing (the "Development"), which consists of demolition of the existing two hundred forty-six (246) apartments on the property (the "Existing Units"), and new construction of two hundred and sixty (260) apartment units and up to eleven thousand (11,000) square feet of community facilities, childcare center, community learning center and property management offices; and

WHEREAS, the Authority Commissioners adopted Resolution #4940 on October 26, 2000, authorizing the Executive Director to execute a Memorandum of Understanding and Predevelopment Loan Agreement with Mission Housing Development Corporation (MHDC), as amended by Resolution #5088 on March 13, 2003 and evidenced by the Amended and Restated Memorandum of Understanding, for the purpose of negotiating the terms and conditions of the Disposition and Development Agreement (DDA), for the HOPE VI revitalization of Valencia Gardens; and

WHEREAS, on November 13, 2003, the Commissioners adopted Resolution #5129 making findings in connection with environmental review of the Development; authorized the Executive Director to enter into a DDA with MHDC executed on December 11, 2003; and authorized the Executive Director to negotiate HUD evidentiaries for the Valencia revitalization; and

WHEREAS, the Mixed Finance Project will be financed with HOPE VI funds, funds from the San Francisco Redevelopment Agency (the "Agency"), funds from the State Department of Housing and Community Development, multifamily housing revenue bonds (tax-exempt bonds), low income housing tax equity, Affordable Housing Program funds, and private financing; and

WHEREAS, HUD requires submission of a Rental Term Sheet prior to planned submission of the Valencia Gardens closing evidentiaries that describes the overall development program, financing and schedule along with the deal terms between the Authority and other parties for the revitalization.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The above recitals are true and correct.

2. The Authority is hereby authorized to submit a Rental Term Sheet to HUD for the Valencia Gardens HOPE VI Revitalization.

6. This Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

Donna Martin

DONNA MARTIN, General Counsel

Date 6-21-2004

REVIEWED BY:

GREGG FORTNER, Executive Director

Date 6/21/04

SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO • CALIFORNIA • 94102 • (415) 554-1200

CERTIFICATE

I, Julie Lee, duly elected President of the Board of Commissioners of the Housing Authority of the City and County of San Francisco, do hereby certify that the following was adopted at the Regular Meeting of the Commission held on June 24, 2004:

RESOLUTION NO. 5160

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT A RENTAL TERM SHEET TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ("HUD") FOR THE VALENCIA GARDENS HOPE VI REVITALIZATION

Attached is a true and correct copy of the Resolution as adopted at the said meeting, on file and on record as adopted by the following vote of the Members:

FOR ADOPTION:

Julie Lee
George . Brown
Sululagi Palega, Sr.
Betty J. Smith
Neola Gans
George Woodruff

AGAINST ADOPTION:

ABSENT (EXCUSED):

IN TESTIMONY, WHEREOF, I have hereto set my hand and seal of said Authority this date: December 9, 2004.

Julie Lee, President
SFHA Commission

EXHIBIT G-1

SAN FRANCISCO HOUSING AUTHORITY

440 Turk Street • San Francisco, California • 94102 • (415) 554-1200

DATE: June 10, 2004

TO: **SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS**

Julie Lee, President
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: Valencia Gardens Update and Upcoming Commission Actions

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OVERVIEW

Demolition is complete and the Valencia Gardens closing is on schedule for the end of September. Construction will commence this October. The HUD-approved revitalization plan calls for demolition of the existing structures and construction of 260 new apartments with up to 11,000 square feet of community facilities, childcare center, computer learning center and property management offices. Approximately eighty percent of the newly constructed apartment units will be PHA replacement units with Annual Contributions Contract or Section 8 project-based subsidies and approximately twenty percent will be low-income housing tax credit units for households with incomes at or below sixty percent of the area median income.

Community building activities, including economic development, self-sufficiency, supportive services, employment training and computer learning center are a core part of the revitalization effort in order to assist current and future low income residents to gain self-sufficiency and revitalize the neighborhood. Mission Housing Development Corporation (MHDC) and the San Francisco Housing Authority (Authority) are working together to outreach, train and place residents in employment with priority for Valencia Gardens residents. To meet and exceed the Commission's 25 percent resident hiring requirements contained in Resolution 4967, MHDC's Resident Hiring Coordinator under the Resident Hiring Plan is directing the resident hiring.

The initial focus of resident hiring included job positions with the development team and the demolition/hazardous material abatement sub-contractor. MHDC's general contractors have employed 19 residents during the environmental remediation and demolition process, a 31 percent

- Authorize bond issues and execution of bond documents

July 30	Submission of evidentiaries to HUD Complete signing of Interim Bond Documents Execution of Construction Contract
August 5	Close Interim Bonds
September 28-29	Close Permanent Bonds
September 30	Close on All Financing
October 29	Commence Construction

FINANCING SUMMARY (Pro Forma and Term Sheet Attached)

Construction Financing

$10,800,000	Citibank Tax Exempt Construction Loan (converts to permanent 1st and 2nd loans)
$29,200,000	Citibank Tax Exempt Construction Only Loan

Permanent Financing

$15,716,275	HOPE VI Loan
$ 5,200,000	Citibank Tax Exempt 1st Mortgage
$ 5,600,000	Citibank Tax Exempt 2nd Mortgage
$ 7,000,000	State Multifamily Housing Program (MHP) Loan
$ 1,000,000	Affordable Housing Program (AHP) Loan
$ 5,000,000	San Francisco Redevelopment Agency Loan
$ 1,000,000	General Partner Equity
$25,945,947	Limited Partner Tax Credit Equity

The Authority is acting as issuing authority for $40 million in tax-exempt bonds for construction of Valencia Gardens. As issuer, the Authority does not assume any legal or moral obligation to repay these bonds: only the pledged security for the bonds, and project cash flows, may be used. The Authority acted in a similar capacity for the Bernal Dwellings HOPE VI development. The Bernal bonds were fully repaid on June 16, 2003.

Qualified Bond Counsel and Underwriter were added to the Authority's advisory team to carry out the bond issue: Kutak Rock Bond Counsel and Merrill Lynch Underwriter, along with CSG Advisors, Goldfarb Lipman and Authority staff. Bond Counsel passes on the validity of the Bonds under state law and the tax-exempt status of the Bonds under federal and state law. Bond

Commission's 25 percent resident hiring requirements contained in Resolution 4967, MHDC's Resident Hiring Coordinator under the Resident Hiring Plan is directing the resident hiring.

The initial focus of resident hiring included job positions with the development team and the demolition/hazardous material abatement sub-contractor. MHDC's general contractors have employed 19 residents during the environmental remediation and demolition process, a 31 percent resident participation. The contractor plans to hire 30 fulltime residents for construction. The consultants and development team employ two additional residents.

At this time, all financing commitments are in place and final documents are being negotiated. There are eight sources of funds for revitalization of Valencia Gardens. Two of these sources of funds, the HUD HOPE VI Award and $40 million in tax-exempt (below market rate) bond funds, require additional Commission authorizations prior to closing and start of construction. At the second Commission meeting this month, on June 24, the Commission will be asked to authorize the authority to hold a TEFRA hearing for the bond issues. On July 22, the Commission will be asked to authorize the issuance of tax-exempt bonds and execution of related agreements. Utilization of these bond funds is providing low interest financing as well as access on a noncompetitive basis to 4 percent tax credits for the $25,945,947 in tax credit equity for Valencia. By acting as issuer of the bonds, the Authority allowed the project to seek the private activity bond allocation that was awarded on April 28, 2004. (Bond Schedule Attached)

At the June 24 meeting, the Commission will also be asked to authorize submission of the Rental Term Sheet to HUD, outlining the partnership structure, financing and basic terms of the revitalization. On July 22, the Commission will be asked to authorize submission of evidentiary documents to HUD and execution of documents following HUD approval. The Schedule is summarized below.

SCHEDULE

June 24	Commission Meeting to: • Authorize additional TEFRA Hearing in connection with the $40 Million Tax Exempt Bond Issue • Authorize submission of the Rental Term Sheet – Project Summary to HUD • Provide Draft Evidentiary Closing Documents to Commission
July 6	Submit Rental Term Sheet to HUD
July 22	Commission Meeting to: • Approve evidentiaries in substantially final form and authorize submission to HUD

Counsel is also drafting the main bond financing documents such as the Indenture, Loan Agreement, Regulatory Agreement and closing papers. The Underwriter is structuring the bond issue, assisting the project owner in choosing the optimal financing structure, coordinating financing participants, obtaining bond rating and selling the bonds. Both Bond Counsel, Underwriter and all other bond related consultant costs are paid out of the bond proceeds once the bonds have been successfully issued. The amount of tax-exempt bond proceeds will be sized to meet the minimum requirements of Section 142 of the IRS code so that the project is eligible for 4 percent tax credits on its entire eligible basis. The percentage of tax-exempt bond financing to the development cost of $64,719,741 is 57.17 percent, well above the 51 percent minimum required to make the project eligible for 4 percent tax credits. The bonds are expected to be secured by a AAA-rated guaranteed investment contract (GIC) and by an escrow of HOPE VI loan funds and a pledge from the private tax-credit investor. The Authority will not be pledging any of its assets as the issuer of the bonds. The bonds will be special limited obligation bonds that will be repaid from Valencia Gardens project-specific resources.

On July 22, the Commission will be asked to authorize the issue and execution of the following documents related to the bond transaction:

- ***Official Statement*** – describes the transaction to bond purchasers; gives required disclosures.
- ***Trust Indenture*** – provides for trustee to control issuance of bonds, use of bond proceeds and repayment on behalf of bondholders
- ***Loan Agreement*** – Authority loans bond proceeds to the partnership, the Authority is obligated to pay the bondholders and the partnership is obligated to repay the Authority.
- ***Bond Purchase Agreement*** – agreement by the underwriter to purchase the bonds from the Authority.
- ***Escrow Agreement*** – agreement between the Authority and the limited partnership to form an escrow account that will be use to repay the bonds.

PARTNERSHIP STRUCTURE AND HUD HOPE VI EVIDENTIARIES

The site will be leased by the Authority to a limited equity partnership comprised of Mission Housing Development Corporation as Developer General Partner, Alliante Capital, Ltd. as Tax Credit Investor Limited Partner and the SFHA Housing Corporation as Special Limited Partner. The term of the lease is 65 years with an Option and Right of First Refusal for the Authority or Authority Affiliate to acquire the improvements after the 15 year Tax Credit Compliance Period.

The documents that the Commission will be asked to authorize on July 22 are all based on previously executed documents that were authorized by the Commission including the HOPE VI Grant Agreement between the Authority and HUD and the following agreements between the Authority and MHDC: Memorandum of Understanding, Predevelopment Loan Agreement and Preconstruction Services Agreement (PSA) and the Disposition and Development Agreement.

These documents delineate the overall revitalization plan, responsibilities of the parties, financing, ownership structure, insurance and indemnification requirements, timeframe and business parameters for the revitalization. They have become the basis for subsequent documents being finalized including, but not limited to, a new HUD declaration of trust, a ground lease, a regulatory and operating agreement, loan agreements, option agreements, an amendment to the Annual Contributions Contract, a management plan, and numerous documents related to the proposed tax exempt bonds and syndication of low-income housing tax credits. These documents are summarized briefly below:

1. Rental Term Sheet (Mixed Finance Proposal)—This HUD HOPE VI required submission summarizes the HOPE VI development proposal including: the number of units, unit sizes, ownership structure, reserves, sources and uses of funds, developer fees and public housing operating subsidy methodology. Many of the substantive terms of the Rental Term Sheet are duplicated at closing in the Mixed Finance Amendment to the Annual Contributions Contract (see #2 below).

2. Mixed Finance Amendment to the Consolidated Annual Contributions Contract (ACC)—This HUD HOPE VI required document amends the Authority's existing Annual Contributions Contract (ACC) with HUD specifically for Valencia Gardens. Each of the Authority's HOPE VI projects (Hayes Valley, Bernal Dwellings, Plaza East and North Beach) has its own Mixed Finance Amendment to the ACC. The various exhibits to this document describe the parties to this transaction, the financing, the unit mix, the flow of funds into the project during construction, and the list of all evidentiary documents that must be approved by HUD.

3. Ground Lease Agreement—This agreement will convey a leasehold interest in the property to a property to a Valencia Gardens limited partnership described above under ownership. During the term of the lease, the Partnership would not be able to alter the public housing or affordability restrictions on the project, resident hiring requirements, tenant selection criteria without the approval of the Authority.

Under the Ground Lease, the Partnership may be obligated to make certain payments to the Authority and Valencia reserves, including:

a) A payment to fund an Affordability Reserve for the ACC units, in case of reduction or elimination of the public housing ACC operating subsidy provided to Authority by HUD.
b) A payment to fund the Initial Operating Period Reserve, which will pay for operations of the public housing units after lease-up and prior to start up of HUD public housing ACC subsidies for the new housing (any unused funds will pass to Authority).
c) Replacement Reserve in the amount of approximately $350 per unit per year for capital improvements.
d) A percent of ongoing cash flow.

The term of the lease would be 65 years. The terms of the leases for Bernal Dwellings, Plaza East and North Beach are 75 years. The terms are this long because they need to be longer than the 55-year affordability restrictions imposed by the Tax Credit Allocation Committee (TCAC), and allow sufficient time after those restrictions expire to permit, at least in theory, the collection of market rents to pay for previously accrued rent or HOPE VI loan repayments under this lease. The Authority will retain its fee interest in the land, encumbered only by the land use restrictions and the Declaration of Trust.

4. Purchase Option Agreement & Right of First Refusal—Authority will have an option to purchase the development after 15 years of operation, which is the TCAC tax credit compliance period. At this time, the investor-limited partner will leave the Partnership, provided any exit taxes are paid by the purchaser. The purchase price of the development will be the amount of the exit taxes and any outstanding debt. This debt may either be assumed by the Authority or paid off as part of a refinancing of the project.

5. Regulatory and Operating Agreement—This agreement between the Partnership and the Authority is expected to provide for the Partnership to receive not more than 95 percent of the operating subsidy the Authority receives from HUD for the public housing units in the project. It also provides various reserves required by HUD to operate the project. If HUD reduces or eliminates its ACC subsidy to Authority, this document allows for "transformation remedies" to address the resulting funding gap that are consistent with HUD public housing requirements and reviewed by the Authority prior to implementation. These remedies may include a development cost cutting plan, increasing the income and rental level of new public housing eligible tenants as vacant units are leased, providing Section 8 and possibly encouraging lower-income tenants to vacate the development in favor of higher income public housing eligible tenants.

6. Affordability Reserve Escrow Agreement—This document provides for the Partnership to fund, from non-Authority sources, a reserve, which will supplement operating revenues in the event of a reduction or elimination of the ACC operating subsidy. This reserve is the property of the Authority for use in this development.

7. Management Agreement—This document between the Partnership and its property management agent will set out the contractual terms for the management of the residential portion of the project.

8. Management Plan—This document between the Authority, the Partnership, and the property management company will set out the tenant selection criteria, screening process and lease-up procedures to be utilized in filling vacancies at the project, both initially and over time. Relocated Valencia Gardens public housing residents who are in good standing have first right to return to the new housing. The Plan applies to public housing ACC units, Section 8 units and tax credit units that are not subsidized by either one of those programs.

9. HOPE VI Construction/Permanent Loan—By this document, the Authority will provide a loan of HOPE VI funds to the Partnership for construction of the development. Interest will accrue during the term of the agreement. The principal and outstanding interest are due and payable to the Authority upon expiration of the loan term. The Authority's predevelopment loan to the developer is part of this loan and is deemed previously disbursed.

10. HOPE VI Loan Promissory Note—This document evidences the Authority's loan to the Partnership for construction of the project. The note would be nonrecourse to the Partnership. It is supported by a completion guaranty by the developer.

11. Deed of Trust Assignment of Rents & Security Agreement—This document will be executed by the Partnership for the benefit of the Authority and will be recorded against Partnership's leasehold interest in the project as security for the HOPE VI Loan.

(Materials prepared by Barbara Smith)

Housing Authority of the City and County of San Francisco
Multifamily Housing Revenue Bonds (Valencia Gardens)
Series 2004, 2004A
060904 version

Bond Schedule

MAY 2004						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

JUNE 2004						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

JULY 2004						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

AUGUST 2004						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

SEPTEMBER 2004						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

OCTOBER 2004						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

DATE	EVENT	COMMENT
June 9, 10 AM PDT, 1 PM EDT	Conference call, bond team	877 301 4021 no pass code Discuss structural issues, comments on bond counsel documents
June 14	RTS draft circulated Comments due on indenture and reimbursement agreement	
June 16	Citibank RE documents comments due; Draft POS circulated	
June 18	MHP documents circulated; SFRA loan to committee; Revised indenture and reimbursement agreement circulated	
June 22	Comments on POS and revised bond documents due	
June 23, 10 AM PDT, 1 PM EDT	Conference call, bond team	Same phone number Comments on underwriter documents
June 24, 4 PM	SFHA commission meeting	TEFRA, bond resolution

July 6	Submit RTS to HUD	
July 7, 10 AM PDT, 1 PM EDT	Conference call, bond team (add other lenders on call)	877 301 4021 no pass code Comments from other lenders, trustee
July 21, 10 AM PDT, 1 PM EDT	Conference call, bond team	877 301 4021 no pass code Final comments on revised drafts, all bond documents
July 22, 4 pm	SFHA commission meeting	Approve evidentiaries, loan documents
July 28, 10 AM PDT, 1 PM EDT	Conference call	877 301 4021 no pass code Discuss closing issues, interim bonds
July 30	Submit evidentiaries to HUD; complete signatures on Interim Bond documents	
August 5	Close interim bonds	By Mail
August 11, 10 AM PDT, 1 PM EDT	Conference call, bond team	877 301 4021 no pass code Discuss swap/cap?
August 13	Mail to rating agencies	
August 25	Optional conference call	877 301 4021 no pass code
September 8, 10 AM PDT, 1 PM EDT	Conference call, bond team	877 301 4021 No pass code Discuss bond sale and pricing; outstanding issues
September 16	Draft GIC circulated	
September 20	Draft closing memorandum circulated; bid swap	
September 21	Price bonds	
September 22, 10 AM PDT, 1 PM EDT	Conference call, bond team	877 301 4021 no pass code Discuss closing, final issues
September 23	GIC bids requested	
September 28-29	Close Bonds	Goldfarb offices, 1300 Clay St, 9th Floor, Oakland (12th St BART)

	BJ	BK	BL	BM	BN	BO
7	SOURCES AND USES OF FUNDS					
8						
9						
10						
11						
12	SOURCES OF FUNDS	AMOUNT	TERMS			
13	First Mortgage	5,200,000	30 yr amortization, 30 yr LC, 15 yr swap			6.25%
14	Additional loan supported by Section 8 income	5,600,000	15yr amortization			6.25%
15	HOPE VI 0% loan	15,716,275	HOPE VI funds - 0% loan			0.00%
16	Construction Loan - Citibank - piece that converts to perm	10,800,000	18 mo const + 7 mo rent-up			5.15%
17	Construction Loan - Citibank - construction-only piece	29,200,000	18 mo const + 7 mo rent-up			2.25%
18	MHP	7,000,000	55 yrs, .42% of principal due annually, remainder residual receipts			1.90%
19	AHP	1,000,000	55 years, 0% loan			0.00%
20	San Francisco SFRA	5,000,000	55 yrs, 3%, residual receipts			1.79%
21	Deferred developer Fee	0				
22	GP equity	1,000,000		50% test		
23	Limited Partner @ 99.99%	25,945,947	Alliant	basis + land/offsites	61,705,802	
24	TOTAL SOURCES	106,462,222		bond financing	40,000,000	
25					64.82%	
26						
27				BASIS FOR	EXPENSED/	NON
28	USES OF FUNDS	TOTAL COST	DEPRECIABLE	4% CREDIT	AMORTIZED	DEPRECIABLE
29	Land acquisition (land rent paid to Housing Authority)	1,195,569			1,195,569	0
30	Offsite/site improvements not in basis	858,928				858,928
31	Site Improvements	3,254,967	3,254,967	3,254,967		
32	New Construction	42,445,392	42,445,392	42,445,392		
33	Buildout of child care center	275,000	275,000	275,000		
34	Personal Property in Construction Contract	260,000	260,000	260,000		
35	Furniture Purchased by Owner	300,000	300,000	300,000		
36	Construction Contingency	4,496,032	4,496,032	4,496,032		
37	Local Permits and Fees	747,061	747,061	747,061		
38	Local Impact Fees	22,226	22,226	22,226		
39	Architecture	2,783,525	2,783,525	2,783,525		
40	Survey, engineering, environmental, testing + archeological study $500k	565,000	565,000	565,000		
41	Construction management	200,000	200,000	200,000		
42	Soft Cost Contingency	600,000	600,000	600,000		
43	Contractor Bond	284,809	284,809	284,809		
44	Costs of Bond Issuance	698,680			698,680	
45	Construction Loan Fees @ .5% for citibank - see under costs of Issuance	0	0	0		
46	Construction Loan interest during construction	575,770	575,770	575,770		
47	Construction loan interest post construction	901,272			901,272	
48	Construction period LC, Issuer	1,128,031	812,092	812,092	315,939	
49	Negative Arbitrage	209,964			209,964	
50	Course of Construction Insurance	700,000	700,000	700,000		
51	Appraisal	20,000	20,000	20,000		
52	Tax Credit Allocation Committee Fees	88,707			88,707	0
53	Legal Fees - Organization	5,500			5,500	
54	Legal Fees - Construction Loan Closing	55,000	55,000	55,000		
55	Legal - Syndication	45,000				45,000
56	Legal - Permanent loan closing	40,000			40,000	
57	Title - Permanent loan closing	10,000			10,000	
58	Consultant - Syndication	35,000				35,000
59	Investor legal fees	0				0
60	Title & Escrow - Construction financing	50,000	50,000	50,000		
61	Marketing	200,000			200,000	
62	Project Audit	10,000			10,000	
63	Capitalized reserves (6 mo op reserve; rent-up/SFHA reserve)	850,790				850,790
64	Capitalized Reserve -- ACC start-up reserve	0				
65	Services Reserve	150,000				
66	Development Fee	2,200,000	2,200,000	2,200,000		
67	Repayment of Construction Loan	40,000,000				40,000,000
68						
69	TOTAL PROJECT COSTS	106,462,222	60,846,874	60,846,874	3,675,631	41,789,718

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	BQ	BR	BS
74	**COSTS OF BOND ISSUANCE**		40,000,000
75			
76	Citibank legal		55,000
77	Citibank construction inspections and cost review		25,600
78	Citibank fee		200,000
79	Underwriter at 40bp		160,000
80	Underwriter counsel		45,000
81	Issuer fee upfront @ .125% of bond amt		50,000
82	bond counsel		90,000
83	trustee counsel		2,500
84	rating agency		13,500
85	CDLAC fee		4,080
86	CDIAC fee		3,000
87	Borrower legal - Gubb & Barshay		15,000
88	Borrower financial consultant - CEI		15,000
89	Title		10,000
90	Printing /Misc		10,000
91	**TOTAL estimated bond issuance costs**		**698,680**

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
1	INCOME, EXPENSES, AND CASH FLOW ANALYSIS									Utility Allowances:		1BR	2BR	3BR	4BR					
2					Placed in Service april 1 06							40	61	84	98					
3		Factor	# of		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
4	Cash Flow for ACC units		Units	Rents	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
5	1 BR ACC	2.50%	16	281	40,464	61,708	63,250	64,832	66,452	68,114	69,818	71,562	73,351	75,185	77,064	78,991	80,966	82,990	85,065	87,191
6	2BR ACC	2.50%	59	281	132,632	202,294	207,320	212,503	217,816	223,261	228,843	234,564	240,428	246,439	252,600	258,918	265,388	272,022	278,823	285,793
7	2 BR ACC - net tax credit	2.50%	2	281	4,495	6,858	7,028	7,204	7,384	7,568	7,757	7,951	8,150	8,354	8,563	8,777	8,996	9,221	9,452	9,688
8	3 BR ACC	2.50%	58	281	130,384	198,938	203,908	209,002	214,124	219,477	224,964	230,588	236,353	242,262	248,318	254,526	260,890	267,412	274,097	280,949
9	3 BR ACC - net tax credit	2.50%	2	281	4,495	6,858	7,028	7,204	7,384	7,568	7,757	7,951	8,150	8,354	8,563	8,777	8,996	9,221	9,452	9,688
10	4 BR ACC	2.50%	6	281	17,984	27,428	28,111	28,814	29,534	30,273	31,030	31,805	32,600	33,416	34,251	35,107	35,985	36,884	37,806	38,752
11	2BR ACC - net tax credit - MANAGER	2.50%	1	281	2,248	3,429	3,514	3,602	3,692	3,784	3,878	3,976	4,075	4,177	4,281	4,388	4,498	4,611	4,726	4,844
12	Subtotal - tenant rent from ACC units				332,704	507,374	520,058	533,059	546,386	560,046	574,047	588,398	603,108	618,185	633,640	649,481	665,718	682,361	699,420	716,906
13	Laundry Income	2.50%	$8.00	April/mo	5,920	6,860	6,102	6,330	6,583	6,802	10,047	10,298	10,556	10,819	11,090	11,367	11,651	11,943	12,241	12,547
14	Vacancy	5.00%		25% yr 1	-84,656	-25,613	-26,458	-27,116	-27,797	-28,492	-29,205	-29,936	-30,683	-31,450	-32,237	-33,042	-33,868	-34,715	-35,583	-36,473
15	ACC operating subsidy	2.50%	148		395,080	487,785	519,449	535,890	558,136	577,216	596,171	622,027	646,821	670,580	696,370	723,202	751,129	780,184	810,419	841,878
16	Effective Gross Income				639,048	988,225	1,019,181	1,051,159	1,084,267	1,118,574	1,154,080	1,190,788	1,228,801	1,268,144	1,308,884	1,351,008	1,394,627	1,439,772	1,486,497	1,534,858
17																				
18	OPERATING EXPENSES				589,962	864,625	916,551	947,998	980,687	1,014,974	1,050,450	1,087,186	1,125,201	1,164,544	1,205,264	1,247,408	1,291,027	1,336,172	1,382,897	1,431,266
19	Net Operating Income				69,087	103,600	103,600	103,600	103,600	103,600	103,600	103,600	103,600	103,600	103,600	103,600	103,600	103,600	103,600	103,600
20	Operating Reserve @ 2% EGI				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	Replacement Reserve @ $700/unit				69,087	103,600	103,600	103,600	103,600	103,600	103,600	103,600	103,600	103,600	103,600	103,600	103,600	103,600	103,600	103,600
22	Cash flow					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23																				
24	Cash Flow for Section 8 units																			
25	1 BR Section 8 - esy 30% median	2.50%	42	566	200,256	305,390	313,025	320,851	328,872	337,094	345,521	354,159	363,013	372,089	381,391	390,926	400,699	410,716	420,984	431,509
26	2 BR Section 8 - esy 30% median	2.50%	7	702	39,312	59,951	61,450	62,986	64,690	66,174	67,826	69,525	71,263	73,044	74,870	76,742	78,661	80,627	82,643	84,709
27	3 BR Section 8 - esy 30% median	2.50%	7	796	44,656	68,149	69,853	71,599	73,389	75,224	77,106	79,032	81,008	83,033	85,109	87,237	89,418	91,653	93,944	96,293
28	4 BR Section 8 - esy 30% median	2.50%	4	866	28,352	43,237	44,318	45,426	46,561	47,725	48,918	50,141	51,395	52,680	53,997	55,347	56,730	58,149	59,602	61,092
29	Total tenant rent from Section 8 units		60		312,606	476,727	488,646	500,862	513,383	526,218	539,373	552,857	566,679	580,846	595,367	610,251	625,507	641,145	657,174	673,603
30	Other Income/laundry	2.50%	5		2,400	3,600	3,690	3,782	3,877	3,974	4,073	4,175	4,279	4,386	4,496	4,608	4,724	4,842	4,963	5,087
31	Residential Vacancy	5.00%		25% yr 1	-78,752	-24,018	-24,617	-25,232	-25,863	-26,510	-27,172	-27,852	-28,548	-29,262	-29,993	-30,743	-31,512	-32,299	-33,107	-33,934
32	Effective Gross Income				239,256	456,311	467,718	479,412	491,397	503,682	516,274	529,181	542,410	555,970	569,870	584,116	598,719	613,687	629,030	644,758
33	OPERATING EXPENSES				221,074	356,632	371,189	384,146	397,576	411,476	425,862	440,762	456,193	472,113	488,621	505,708	523,389	541,661	560,534	580,230
34	Trustee/rating agency/rebate analysis fee				2,857	4,286	4,286	4,286	4,286	4,286	4,286	4,286	4,286	4,286	4,286	4,286	4,286	4,286	4,286	4,286
35	Issuer Fee				17,857	26,786	26,786	26,786	26,786	26,786	26,786	26,786	26,786	26,786	26,786	26,786	26,786	26,786	26,786	26,786
36	NET INCOME				-15,532	68,607	65,476	64,196	62,750	61,135	59,340	57,357	55,178	52,786	50,178	47,339	44,259	40,924	37,324	33,445
37	MHP debt service				3,936	15,750	15,750	15,750	15,750	15,750	15,750	15,750	15,750	15,750	15,750	15,750	15,750	15,750	15,750	15,750
38	Operating Reserve @ 2% EGI				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
39	Replacement Reserve @ $700/unit				26,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000
40	Net Cash Available				-47,469	8,657	7,728	8,445	5,000	3,385	1,590	-393	-2,574	-4,864	-7,572	-10,411	-13,491	-16,826	-20,426	-24,305
41																				
42			FMRs	FMR less																
43	Section 8 Income			tenant rent			2% annual increase on Section 8 rents													
44	1BR Sec 8	42	1,615	979	205,590	503,264	513,350	523,617	534,089	544,771	555,667	566,780	578,115	589,678	601,471	613,501	625,771	638,286	651,052	664,073
45	2BR Sec8	7	2,043	1,280	44,800	109,870	111,664	114,101	116,383	118,711	121,085	123,507	125,977	128,496	131,066	133,688	136,361	139,089	141,870	144,708
46	3BR Sec 8	7	2,606	1,926	67,410	165,020	168,320	171,686	175,120	178,623	182,195	185,839	189,556	193,347	197,214	201,158	205,181	209,285	213,471	217,740
47	4BR Sec 8	4	2,945	1,961	39,620	96,990	98,930	100,906	102,929	104,985	107,085	109,226	111,411	113,639	115,912	118,230	120,595	123,006	125,467	127,976
48	Vacancy on Section 8 income	5.00%		25% yr 1	-69,355	-43,748	-44,623	-45,516	-46,426	-47,354	-48,302	-49,268	-50,253	-51,258	-52,283	-53,329	-54,395	-55,483	-56,593	-57,725
49	EGI from Section 8 income	60			268,065	631,216	647,640	664,797	682,093	699,735	717,730	736,084	754,808	773,902	793,380	1,013,248	1,033,513	1,054,183	1,075,266	1,096,772
50	Debt service on Section 8 loan				96,031	376,188	376,188	376,188	376,188	376,188	376,188	376,188	376,188	376,188	376,188	376,188	376,188	376,188	376,188	0
51	Cash Flow from Section 8 income				172,034	255,028	271,452	288,609	305,905	323,547	341,541	359,896	378,616	397,714	417,192	437,059	457,324	477,995	499,078	1,096,772
52																				
53	Cash flow for non-PHA assisted units - SFRA funded units																			
54	1 BR 35% median	2.50%	0	702	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55	1 BR 50% median	2.50%	0	1,020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
56	2 BR 50% median BASED ON TCAC RENTS	2.50%	26	1,211	271,264	413,878	424,020	434,620	445,486	456,623	468,038	479,739	491,733	504,026	516,627	529,542	542,781	556,350	570,259	584,516
57	2 BR @ 50% median	2.50%	0	1,466	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
58	3 BR 50% median BASED ON TCAC RENTS	2.50%	21	1,366	232,848	355,093	363,971	373,070	382,397	391,958	401,755	411,799	422,094	432,647	443,463	454,549	465,913	477,561	489,500	501,737
59	3 BR @ 50% median	2.50%	0	1,660	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
60	4 BR @ 50% median BASED ON TCAC RENTS	2.50%	2	1,542	24,672	37,625	38,565	39,530	40,518	41,531	42,569	43,633	44,724	45,842	46,986	48,163	49,367	50,601	51,866	53,163
61	manager - 2BR	2.50%	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
62	Subtotal gross potential income		52		528,784	806,596	826,556	847,219	868,400	890,110	912,363	935,172	958,551	982,515	1,007,076	1,032,255	1,058,061	1,084,512	1,111,625	1,139,416
63	Other income/laundry	2.50%	5		2,060	3,172	3,251	3,333	3,416	3,501	3,589	3,679	3,771	3,865	3,961	4,060	4,162	4,266	4,373	4,482
64	Residential Vacancy	5.00%		25% yr 1	-132,718	-40,476	-41,490	-42,528	-43,591	-44,681	-45,798	-46,943	-48,116	-49,319	-50,552	-51,816	-53,111	-54,439	-55,800	-57,195
65	Effective Gross Income				398,146	769,099	788,319	808,024	828,225	848,931	870,154	891,908	914,205	937,061	960,487	984,499	1,009,112	1,034,339	1,060,198	1,086,703
66			260																	
67	OPERATING EXPENSES				200,264	310,614	321,580	332,926	344,669	356,812	369,361	381,865	395,341	408,164	423,471	438,278	453,604	469,468	485,883	502,874
68	Trustee/rating agency/rebate analysis fee				2,476	3,714	3,714	3,714	3,714	3,714	3,714	3,714	3,714	3,714	3,714	3,714	3,714	3,714	3,714	3,714
69	Issuer Fee				15,476	23,214	23,214	23,214	23,214	23,214	23,214	23,214	23,214	23,214	23,214	23,214	23,214	23,214	23,214	23,214
70	NET INCOME				179,932	431,346	439,706	448,170	456,731	465,390	474,145	482,994	491,936	500,968	510,087	519,292	528,579	537,945	547,387	556,901
71	Debt Service First Mortgage				64,035	364,208	364,208	364,208	364,208	364,208	364,208	364,208	364,208	364,208	364,208	364,208	364,208	364,208	364,208	364,208
72	MHP debt service				3,413	13,650	13,650	13,650	13,650	13,650	13,650	13,650	13,650	13,650	13,650	13,650	13,650	13,650	13,650	13,650
73	Operating Reserve @ 2% EGI				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
74	Replacement Reserve @ $700/unit				24,267	36,400	36,400	36,400	36,400	36,400	36,400	36,400	36,400	36,400	36,400	36,400	36,400	36,400	36,400	36,400
75	Net Cash Available				88,218	-2,911	6,450	13,912	22,473	31,132	39,887	48,737	57,678	66,710	75,830	85,035	94,321	103,687	113,129	122,643
76																				
77	Combined Cash flow				212,782	260,974	284,830	308,985	333,378	358,083	383,018	408,240	433,722	459,460	485,449	511,683	538,154	564,857	591,782	1,165,110
78						1.20	1.29	1.31	1.34	1.38	1.39	1.41	1.44	1.46	1.49	1.52	1.54	1.57	1.60	3.89
79	USES OF AVAILABLE CASH																			
80	Deferred developer fee (within MHP allowable distribution)				0	0	0	0	0	0	0	0								
81	Payment of Partnership Management Fee -called $20k am fee + $15k am fee for city (within MHP-allowable)				23,333	36,060	37,132	38,245	39,393	40,575	41,792	43,046	44,337	45,667	47,037	48,448	49,902	51,399	52,941	54,529
82	To sponsor $25k for services + $25k incentive mgmt fee (within MHP allowable)	3.50%			50,000	51,750	53,561	55,436	57,378	59,364	61,463	63,614	65,840	68,145	70,530	72,998	75,553	78,198	80,935	83,767
83	Ground lease payments to Housing Authority @1/3 cash flow NOT FROM SFRA UNITS (within MHP allowable				27,211	58,369	63,474	68,530	73,553	78,564	83,643	88,826	93,508	98,488	103,472	108,481	113,455	118,454	123,457	318,121
84	To sponsor $25k incentive management fee (within MHP allowable)	3.50%			25,000	26,875	28,781	27,718	28,686	29,682	30,731	31,807	32,920	34,072	35,265	36,498	37,777	39,099	40,467	41,884
85	Ground lease up to $100,000 or up to MHP cap (within MHP allowable)	3.60%			33,294	4,578	8,272	8,083	10,023	12,048	14,161	16,351	18,618	20,947	23,343	25,800	28,317	30,890	33,518	21,387
86	Repayment of MHP (split with mhp, sfra, hope vi)	25.29%			13,624	21,304	24,652	28,020	31,404	34,805	38,220	41,648	45,083	48,527	51,977	55,430	58,884	62,336	65,783	171,087
87	Repayment of HOPE VI (split with mhp, sfra, hope vi)	58.70%			30,588	47,831	55,349	62,908	70,508	78,144	85,810	93,503	101,219	108,952	116,696	124,451	132,208	139,956	147,694	384,121
88	Repayment of SFRA - (split with mhp,sfra, hope vi)	16.04%			8,731	16,217	17,609	20,014	22,432	24,861	27,300	29,747	32,202	34,662	37,127	39,593	42,060	44,526	46,988	122,206
89	General Partner	0.01%			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
90	Limited Partner	99.99%			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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	BQ	BR	BS	BT	BU	BV	BW	BX	BY	BZ	CA	CB	CC	CD
24	SOURCES AND USES OF CAPITAL CONTRIBUTIONS AND LOAN PROCEEDS													
25														
26			5,200,000	5,600,000	15,716,275	1,000,000	5,000,000	7,000,000	10,800,000	29,200,000	0	1,000,000	25,945,947	
27	Source of Loan or Equity		First	Second -	HOPE VI	AHP	SFRA	MHP	Construction	Construction	Deferred	GP	LP	
28			Mortgage	Section 8	0% loan				Perm portion	const only	developer fee	Capital Contributions		TOTALS
29	Land acquisition (land rent paid to Housing Authority)	1,195,569					200,000						995,569	1,195,569
30	Offsite/site improvements not in basis	858,928					858,928						0	858,928
31	Site Improvements	3,254,967							3,254,967				0	3,254,967
32	New Construction	42,445,392			15,716,275		1,430,190			22,598,926			2,700,000	42,445,392
33	Buildout of child care center	275,000							275,000				0	275,000
34	Personal Property in Construction Contract	260,000							260,000				0	260,000
35	Furniture Purchased by Owner	300,000							300,000				0	300,000
36	Construction Contingency	4,496,032							2,265,062	2,230,969			0	4,496,032
37	Local Permits and Fees	747,061							747,061				0	747,061
38	Local Impact Fees	22,226							22,226				0	22,226
39	Architecture	2,783,525							2,783,525				0	2,783,525
40	Survey, engineering, environmental, testing + archeological study $500k	565,000								565,000			0	565,000
41	Construction management	200,000								200,000			0	200,000
42	Soft Cost Contingency	800,000								800,000			0	800,000
43	Contractor Bond	284,809								284,809			0	284,809
44	Costs of Bond Issuance	698,680					698,680						0	698,680
45	Construction Loan Fees @ .5% for citibank - see under costs of issuance	0							0	0			0	0
46	Construction Loan interest during construction	575,770							425,009	150,761			0	575,770
47	Construction loan interest post construction	901,272							417,150	484,122			0	901,272
48	Construction period LC, issuer	1,128,031					1,128,031						0	1,128,031
49	Negative Arbitrage	209,964					209,964						0	209,964
50	Course of Construction Insurance	700,000								700,000			0	700,000
51	Appraisal	20,000								20,000			0	20,000
52	Tax Credit Allocation Committee Fees	88,707					88,707						0	88,707
53	Legal Fees - Organization	5,500					5,500						0	5,500
54	Legal Fees - Construction Loan Closing	55,000								55,000			0	55,000
55	Legal - Syndication	45,000					45,000						0	45,000
56	Legal - Permanent loan closing	40,000	40,000										0	40,000
57	Title - Permanent loan closing	10,000	10,000										0	10,000
58	Consultant - Syndication	35,000					35,000					0	0	35,000
59	Investor legal fees	0											0	0
60	Title & Escrow - Construction financing	50,000							50,000				0	50,000
61	Marketing	200,000								200,000			0	200,000
62	Project Audit	10,000											10,000	10,000
63	Capitalized reserves (8 mo op reserve; rent-up/SFHA reserve)	850,790					300,000						550,790	850,790
64	Capitalized Reserve -- ACC start-up reserve	0											0	0
65	Services Reserve	150,000											150,000	150,000
66	Development Fee	2,200,000								910,411	0		1,289,589	2,200,000
67	Repayment of Construction Loan	40,000,000	5,150,000	5,600,000	0	1,000,000		7,000,000				1,000,000	20,250,000	40,000,000
68														
69	TOTAL PROJECT COSTS	106,462,222	5,200,000	5,600,000	15,716,275	1,000,000	5,000,000	7,000,000	10,800,000	29,200,000	0	1,000,000	25,945,947	106,462,222

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	CF	CG	CH	CI	CJ	CK	CL
24	DISBURSEMENTS OF LIMITED PARTNER CAPITAL CONTRIBUTIONS						
25			enter	during	during	occupancy	
26			partnership	construction	construction	perm conversion	8609
27		Totals	9/1/2004	1/2/2005	4/1/2005	1/2/2007	4/1/2007
28			100,000	1,800,000	1,800,000	21,245,947	1,000,000
29	Land acquisition (land rent paid to Housing Authority)	995,569				0	995,569
30	Offsite/site improvements not in basis	0					
31	Site Improvements	0					
32	New Construction	2,700,000	100,000	1,300,000	1,300,000		
33	Buildout of child care center	0					
34	Personal Property in Construction Contract	0					
35	Furniture Purchased by Owner	0					
36	Construction Contingency	0					
37	Local Permits and Fees	0					
38	Local Impact Fees	0					
39	Architecture	0					
40	Survey, engineering, environmental, testing + archeological study $500k	0					
41	Construction management	0					
42	Soft Cost Contingency	0	0				
43	Contractor Bond	0					
44	Costs of Bond Issuance	0					
45	Construction Loan Fees @ .5% for citibank - see under costs of issuance	0					
46	Construction Loan interest during construction	0				0	
47	Construction loan interest post construction	0				0	
48	Construction period LC, Issuer	0				0	
49	Negative Arbitrage	0				0	
50	Course of Construction Insurance	0				0	
51	Appraisal	0				0	
52	Tax Credit Allocation Committee Fees	0				0	
53	Legal Fees - Organization	0	0			0	
54	Legal Fees - Construction Loan Closing	0				0	
55	Legal - Syndication	0				0	
56	Legal - Permanent loan closing	0				0	
57	Title - Permanent loan closing	0				0	
58	Consultant - Syndication	0				0	
59	Investor legal fees	0	0				
60	Title & Escrow - Construction financing	0	0			0	
61	Marketing	0	0			0	
62	Project Audit	10,000				10,000	
63	Capitalized reserves (6 mo op reserve; rent-up/SFHA reserve)	550,790				550,790	0
64	Capitalized Reserve – ACC start-up reserve	0				0	
65	Services Reserve	150,000				145,569	4,431
66	Development Fee	1,289,589		500,000	500,000	289,589	0
67	Repayment of Construction Loan	20,250,000				20,250,000	
68							
69	TOTAL PROJECT COSTS	25,945,947	100,000	1,800,000	1,800,000	21,245,947	1,000,000

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	CO	CP	CQ	CR	CS	CT	CU	CV	CW	CX	CY	CZ	DA	DB	DC	DD	DE	DF
1	SCHEDULE OF TAX CONSEQUENCES																	
2		AMOUNT	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
3	DEPRECIATION																	
4	Residential (27.5 years)	57,031,907	1,296,180	2,073,888	2,073,888	2,073,888	2,073,888	2,073,888	2,073,888	2,073,888	2,073,888	2,073,888	2,073,888	2,073,888	2,073,888	2,073,888	2,073,888	2,073,888
5	Residential (40 years)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Site Improvements (15 Years, 150% DB)	3,254,967	182,748	308,222	278,300	250,832	225,569	202,784	192,043	192,043	192,369	192,043	192,369	192,043	192,369	192,043	192,369	96,022
7	Site Improvements (20 Years)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	Personal Property (5 years)	560,000	112,000	178,200	107,520	64,512	64,512	32,256										
9	Personal Property (12 years)	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
10																		
11	Residential (27.5 years)	149,864						5,442	5,442	5,442	5,442	5,442	5,442	5,442	5,442	5,442	5,442	5,442
12	Personal Property (5 years)	149,864						29,933	29,933	29,933	29,933	29,933						
13																		
14	Residential (27.5 years)	276,711											10,062	10,062	10,062	10,062	10,062	10,062
15	Personal Property (7 years)	276,711											55,342	55,342	55,342	55,342	55,342	
16																		
17	Residential (27.5 years)	374,900																13,633
18	Personal Property (7 years)	374,900																74,980
19																		
20	Subtotal	62,449,423	1,570,928	2,562,309	2,459,707	2,389,032	2,363,969	2,344,303	2,301,308	2,301,308	2,301,631	2,301,308	2,337,103	2,338,777	2,337,103	2,338,777	2,337,103	2,274,028
21		60,846,874																
22		60,846,874																
23	EXPENSED AND AMORTIZED ITEMS																	
24	Tax Credit Allocation Committee Fees	86,707	5,914	6,871	6,871	6,871	6,871	6,871	6,871	6,871	6,871	6,871	2,957					
25	Mortgage fees - costs of bond issuance	748,680	6,239	24,956	24,956	24,956	24,956	24,956	24,956	24,956	24,956	24,956	24,956	24,956	24,956	24,956	24,956	24,956
26	Organization	5,500	733	1,100	1,100	1,100	1,100	367										
27	Marketing Cost	200,000	200,000															
28	Project Audit	10,000	10,000															
29	Upfront Ground Lease payment to Housing Authority	1,195,569	12,262	18,393	18,393	18,393	18,393	18,393	18,393	18,393	18,393	18,393	18,393	18,393	18,393	18,393	18,393	18,393
30	Ground lease payments to Housing Authority		60,505	62,946	69,746	76,623	83,578	90,603	97,704	104,877	112,121	119,434	126,615	134,262	141,772	149,344	156,974	337,518
31	Payments to sponsor for services/incentive mgmt fee		75,000	77,625	80,342	83,154	86,064	89,076	92,194	95,421	98,761	102,217	105,795	109,496	113,330	117,297	121,402	125,651
32	Partnership Management Fee	3%	23,333	36,050	37,132	38,245	39,393	40,575	41,792	43,046	44,337	45,667	47,037	48,448	49,902	51,399	52,941	54,529
33	Subtotal	2,248,456	393,987	229,941	240,540	251,342	262,353	272,841	283,910	295,564	307,439	319,539	325,954	335,557	348,353	361,388	374,666	561,047
34		2,248,456																
35																		
36	TAX CREDITS																	
37	Project Basis for 4% Federal Credit	60,846,874																
38	Times % low income units	59,400,062	97.6222% assumes 5 units non tax credit				0.96069											
39	Cost limits plus allowed add-ons @ % low income	62,303,255																
40	Which to use?	59,400,062																
41	130% high cost area adjustment	77,220,081																
42	Amount of 4% Federal credit	27,027,028	1,416,819	2,702,703	2,702,703	2,702,703	2,702,703	2,702,703	2,702,703	2,702,703	2,702,703	2,702,703	1,283,784					
43	Amount of California Credit	0																
44	TOTAL CREDITS	27,027,028	1,416,819	2,702,703	2,702,703	2,702,703	2,702,703	2,702,703	2,702,703	2,702,703	2,702,703	2,702,703	1,283,784					
45																		
46	Proportion of First year	0.67	6 credit months			occupancy												
47	Portion of 1st year for Mortgage	0.25	april CREDIT START			15.00% april		45.00% june		80.00% aug		52.50%						
48	Federal Tax Credits	2,702,703				30.00% may		60.00% july		100.00% sept								
49	State Tax Credits Reserved	0																
50	Tax Credit Percentage	3.50% estimate for TCAC																
51																		
52																		
53																		
54																		
55																		
56																		
57																		
58																		
59																		
60																		
61																		
62																		
63																		
64																		
65																		
66																		
67																		

svg occ for 1st credit year

Cost calculations		San Francisco non elevator		prevailing wage yes		child care yes
	221(d)(3) limits		Add 20%?		Add another 2%?	
60 1br	101,910	6,108,600	122,172	7,330,320	124,206	7,452,482
97 2br	122,784	11,910,048	147,341	14,292,058	149,798	14,530,259
68 3br	167,164	13,630,432	189,697	15,586,816	191,740	15,873,127
14 4br	178,987	2,451,218	210,104	2,941,462	213,606	2,990,486
259 TOTAL		34,300,298		41,150,358		41,846,364

Project Basis	60,846,874
x % low income	59,400,062
Max basis per cost limits	41,846,364
plus impact fees	22,226
Plus 4% energy efficiency	1,372,012
Plus 60% for 55 yr affordability	20,580,179
Max per cost limits plus add-ons	63,820,780
x % low income	62,303,255
Max allowable basis for credit calc	59,400,062 project basis

CSG | advisors

TERM SHEET – Valencia Gardens

Project Name:	Valencia Gardens
Developer	Mission Housing Development Corporation, a California nonprofit corporation
Owner	Valencia Gardens Housing Limited Partnership
Address:	340-370 Valencia Street San Francisco, CA
Parcel No:	
Unit breakdown:	

Unit Size:	*ACC-TC*	*ACC-not TC*	*Section 8*	*Other TC*	*Total*
1 BR	18	0	42	0	60
2 BR	59	2	7	28	96
3 BR	58	2	7	21	88
4 BR	8	0	4	2	14
Mgr Unit	0	1	0	1	2
Total	143	5	60	52	260

Construction Sources	Bonds: $40,000,000 HOPE VI Loan: $15,716,275 San Francisco Redevelopment Agency Loan: $5,000,000 AHP Loan: $1,000,000 Tax Credits: $3,700,000 Total: $65,416,275
Permanent Sources	Bonds: $10,800,000 HOPE VI Loan: $15,716,275 SFRA Loan: $5,000,000 MHP Loan (State of CA HCD): $7,000,000 AHP Loan: $1,000,000 Tax Credits: $25,945,947 GP Equity: $1,000,000 Total: $66,462,222
Uses of Bond Proceeds:	Costs of Issuance: $698,680 New Construction: $39,301,320 Total: $40,000,000
Uses of Other Proceeds:	Land Acquisition: $1,195,569 Site Improvements: $4,113,895 Construction: $8,475,104 Permits and Fees: $769,287 Arch and Eng: $3,548,525 Soft Contingency: $800,000

	Contractor Bond: $284,809 Const Loan Interest, Fees, Ins: $3,515,037 Legal, Appraisal, Syndication, Audit: $359,207 Marketing: $200,000 Reserves: $1,000,790 Developer Fee: $2,200,000 Total: $26,462,222
50% Test for Tax Credits	64%
Interim Bonds:	**San Francisco Housing Authority Multifamily Draw Down Bonds 2004A**
Issuer:	San Francisco Housing Authority
Date of TEFRA:	Hearing held on February 11, 2004 (notice published on January 26, 2004); approved by Mayor on February 20, 2004
Bond Counsel:	Kutak Rock LLP
Trustee:	U.S. Bank National Association
Issuer's FA:	CSG Advisors, Inc.
Bond Amount:	$40,000,000
Purchaser:	Merrill Lynch, Pierce, Fenner & Smith Incorporated (transfer not expected; requires "big boy" letter)
Draw Amounts:	Draw 1: $100,000 Draw 2: $39,900,000
Purchase Price:	Par (delivery of two certificates, DTC/FAST delivery)
Dated Delivery Date:	Draw 1 = August 5, 2004 Draw 2 = on or after September 22, 2004* * but no later than May 4, 2005 with at least 5 days written notice.
Maturity Date:	May 5, 2005
Optional Redemption:	Issuer may optionally redeem Interim Bonds in whole at par on or after September 23, 2004 with at least 5 days written notice. Redemption of Interim Bonds will be one business day following the date of Draw 2 (if not redeemed by May 4, 2005, Interim Bonds will mature on May 5, 2005).
Tax Status:	Subject to AMT
Bond Coupon:	Draw 1 = BMA Swap Rate + 0.50% (fixed coupon)

	Draw 2 = BMA Index + 0.50% (fixed coupon based on the weekly BMA Index rate that is in effect at the time of Draw 2)
Interest Payment Date:	Monthly on the first business day of each month commencing September 1, 2004 and at final maturity or redemption date of the bonds
Interest Calculation:	Actual days elapsed in actual 365/366 day year
Bond Rating:	Unrated.
Security:	Cash collateralized. Interim Bond proceeds reinvested in permitted investments. Interim Bonds issued pursuant to the Trust Indenture dated as of August 1, 2004.
Est. Upfront Fees:	▪ Merrill Lynch out-of-pocket expenses (Underwriter's Counsel, DTC, CUSIP, CDIAC, CDLAC, conference calls, etc.) of approximately $20,000. ▪ No management, takedown, or commitment fees to Merrill Lynch. ▪ Trustee acceptance fees and expenses.
Ongoing Fees:	▪ Trustee fees and expenses.
Permanent Bonds:	**The Housing Authority of the City and County of San Francisco Multifamily Housing Revenue Refunding Bonds (Valencia Gardens) Series 2004**
Amount:	$40,000,000
Issuer:	San Francisco Housing Authority
Date of TEFRA:	Hearing to be held on June 22, 2004 (notice published on June 6, 2004); approved by Mayor on July __, 2004.
Underwriter:	Merrill Lynch, Pierce, Fenner & Smith Incorporated
Bond Counsel:	Kutak Rock LLP
Trustee:	U.S. Bank National Association
Denominations:	$100,000 (Weekly Interest Rate Period); $5,000 (other).

Dated Delivery Date:	Closing Date
Closing Date:	TBD (estimated late September)
Security:	Citibank, N.A. Direct Pay Letter of Credit
Interest Rate Structure:	Multimodal; initially Variable Rate (weekly)
Optional Redemption:	• During Weekly Interest Rate Period (at par) • During Term Interest Rate Period [See schedule in indenture Article 4.01(6)]
Mandatory Redemption:	• Excess proceeds (earlier of Final Funding Date or 3 years after Closing Date, subject to extension). • Upon Failure to Renew /Replace Letter of Credit • Extraordinary Events • Default of Loan or Reimbursement Agreements
Tax Status:	Subject to AMT
Interest Payment Dates:	First business day of each month (Weekly Interest Rate Period), March 1 and September 1 (Term Interest Rate Period).
Interest Calculation:	Actual elapsed 365/366 day years (Weekly); 360/30 (Term).
Bond Rating:	AA/A-1+ (Standard and Poors)

EXHIBIT G-2

Rental Term Sheet

The term sheet consists of four sections that are to be filled out by the PHA as part of the Mixed-Finance Proposal and submitted to the HUD Grant Manager for presentation to the Project Review Panel:

A. Specific Phase Project Summary: A one-paragraph narrative description of the specific phase for posting on the HUD web site.

B. Program Overview: A description of the overall development program, financing, and schedule.

C. Specific Phase Overview: A description of the program details for the specific phase under review.

D. Statement of Business Terms: A description of the deal terms between the PHA and other parties for the specific phase under review.

A. Specific Phase Project Summary

Purpose: To provide a short summary description of the specific phase under review for posting on HUD's web site. Other PHAs can then review the summary of closed phases to find PHAs with similar deals and can contact those authorities for information, sample documents, etc.

Instructions: Provide a brief narrative that describes the specific phase to be reviewed. Include the following information:

- The overall unit count broken down by unit type (i.e., ACC, LIHTC, ACC/LIHTC, market, etc.);
- Sources of funding;
- The names of the major partners;
- The building type(s) being constructed (e.g., row, detached/semi-detached, walk-up, etc.);
- Any non-residential or mixed uses;
- Any elderly designated units in the phase;
- Any unusual features of the phase (e.g., a land swap, commercial facilities, operating subsidy only units, scattered site acquisition and development, etc.).

Name of PHA:	San Francisco Housing Authority
Name of Development:	Valencia Gardens
HOPE VI Grant No./Development Project No.:	CA39URD001I197
Contact Name:	Barbara Smith
Contact Phone No.:	(415) 715-3220

B. Program Overview

Purpose of this section: To provide a context for reviewing the overall project.

I. Proposed Unit Mix

Purpose: To provide the unit mix for the overall project so that HUD can evaluate the current phase in context.

Instructions: Complete the Excel spreadsheet **Unit Mix Entire Project** to describe the proposed unit mix for the entire project.

II. Non-Residential Uses

Purpose: To describe the types of non-residential uses for the overall project so that HUD can evaluate the current phase in context.

Instructions: For each **non-residential** building planned, complete the following table for the overall project.

Building Name/Use(s)	Gross Square Feet	Developer	Owner	Phase
Childcare Center	2,397	Mission Housing Development Corporation	Valencia Gardens Housing Limited Partnership	Single Phase
On-Site Management Offices	1,116	Mission Housing Development Corporation	Valencia Gardens Housing Limited Partnership	Single Phase
On-Site Resident Program Staff Offices	527	Mission Housing Development Corporation	Valencia Gardens Housing Limited Partnership	Single Phase
On-Site Resident Council Offices	190	Mission Housing Development Corporation	Valencia Gardens Housing Limited Partnership	Single Phase
Community Room & Kitchen	1,889	Mission Housing Development Corporation	Valencia Gardens Housing Limited Partnership	Single Phase
Learning Center	1,570	Mission Housing Development Corporation	Valencia Gardens Housing Limited Partnership	Single Phase
Senior Community Rooms/Lobby	1,331	Mission Housing Development	Valencia Gardens Housing Limited Partnership	Single Phase

Building Name/Use(s)	Gross Square Feet	Developer	Owner
Childcare Center	2,397	Mission Housing Development Corporation	Valencia Gardens Housing Limited Partnership
On-Site Management Offices	1,116	Mission Housing Development Corporation	Valencia Gardens Housing Limited Partnership
On-Site Resident Program Staff Offices	527	Mission Housing Development Corporation	Valencia Gardens Housing Limited Partnership
On-Site Resident Council Offices	190	Mission Housing Development Corporation	Valencia Gardens Housing Limited Partnership
Community Room & Kitchen	1,889	Mission Housing Development Corporation	Valencia Gardens Housing Limited Partnership
Learning Center	1,570	Mission Housing Development Corporation	Valencia Gardens Housing Limited Partnership
Senior Community Rooms/Lobby	1,331	Mission Housing Development Corporation	Valencia Gardens Housing Limited Partnership

III. Key Milestones

Purpose: To provide HUD with the status of the phase, to establish the timeline for phase completion, and to identify which party is responsible for each activity for the phase under review.

Instructions: Complete the chart below for the specific phase under review. Indicate whether the activity listed is appropriate for the phase, provide a date for actual or anticipated dates of completion, and check the party responsible for the implementation of the activity. If a box is shaded, it is not applicable and does not need to be completed. Provide any comments in the Activity column.

Activity		Date	Responsible Party
Program Manager under Contract	☒ N/A		
Predevelopment Agreement Signed	☐ N/A	11/14/00	
Development Agreement Signed	☐ N/A	12/11/03	

Activity	Date	Responsible Party
Lease-Up ☐ N/A	7/06	☐ PHA Staff or Consultants ☐ Developer ☒ Other: Property Manager

IV. Ownership

Purpose: To provide HUD with a list of the partners of the ownership entity (i.e., general partner, limited partner, special limited partner, etc.) and a description of each role as required by 24 CFR 941.606(a).

Instructions: Complete the following table to list the proposed partners of the ownership entity and to describe their ownership interest and function for the specific phase under review.

Proposed Partner 1:	**Mission Housing Development Corporation**	**% Interest:**	**.01%**
Function(s) Exercised:	Managing general partner until such time as MHDC creates and obtains approval of single-purpose entity. At that point, MHDC shall withdraw from the partnership and assign its interest.		

Proposed Partner 2:	**The San Francisco Housing Authority Housing Corporation**	**% Interest:**	**0%**
Function(s) Exercised:	Special Limited Partner during construction and operations/permanent phase of the project. Special limited partner will have voting authority over certain key operating decisions.		

Proposed Partner 3:	**Alliant Credit Facility ALP, LLC**	**% Interest:**	**.01%**
Function(s) Exercised:	Administrative limited partner.		

Proposed Partner 4:	**Alliant Credit Facility, Ltd**	**% Interest:**	**99.98%**
Function(s) Exercised:	Investor limited partner.		

V. Sources and Uses

Purpose: To provide an understanding of the sources and uses as required by 24 CFR 941.606(b) for the specific phase under review. HUD will be evaluating: whether the sources listed are sufficient to build the project, considering timing of sources; which sources are construction (temporary) vs. permanent; the terms of loans; the terms of grants; whether the public housing funds are bearing the appropriate pro rata share; and whether the uses appear reasonable.

Instructions: Complete the Excel spreadsheet **Exhibit F-1 Phase Budget** to describe the sources and uses for the specific phase under review. Complete both permanent and construction sources and uses.

II. Pay-Out Schedule for Developer Fee/Overhead

Instructions: For the specific phase under review, provide the milestone at which the developer receives compensation (e.g., closing, 50% construction completion, stabilized occupancy) and the percentage of the total developer fee that is to be paid (percentages should total 100%) as defined in the Cost Control and Safe Harbor Standards. If the Developer is being reimbursed for overhead prior to closing, provide a justification in the space below the table and confirm that the compensation is structured as a loan.

Milestone	% of Total Developer Fee
Closing	*50%*
Construction Completion	*25%*
Stabilized Occupancy/8609	*25%*

Justification for deviating from the Safe Harbor Standard (if applicable):

N/A

Justification for providing a loan to the developer prior to closing (if applicable):

The San Francisco Housing Authority has provided a pre-development loan to Mission Housing Development Corporation to pay for third party expenses and a portion of MHDC's developer fee. At closing the pre-development funds will be recognized as an advance on the HOPE VI loan. This loan agreement has been approved by HUD and has been justified by the extremely long pre-development period.

III. Sharing of Third-Party Predevelopment Costs and Reimbursement Schedule

Instructions: Complete the following table for the specific phase under review. For each of the primary predevelopment costs indicate the percentages to be borne by the PHA and the developer. If necessary, provide a justification for any term(s) above the HUD Safe Harbor Standards.

Estimated Amount of Predevelopment Costs:	$ 3,052,046
Length of Predevelopment Period:	46 months
Percentage Borne by PHA:	100 %
Percentage Borne by Developer:	0 %

VI. Property Management Fees

Instructions: Indicate whether the PHA or an outside firm will manage the development. In the table below, check the applicable methodology for determining property management fees and indicate the amount of the proposed fee. Describe the amount of any incentive management fee(s) and the conditions under which they are paid. If necessary, provide a justification for any term(s) above the HUD Safe Harbor Standards.

Who is managing the mixed-finance development? ☐ PHA X Private firm ☐ Joint Venture (PHA/private)

Method and Amount of Property Management Compensation

☐ % of effective gross income

X $121,680 PUM (all units) $39/unit/month

☐ $ PUM (occupied units) and $ PUM (vacant units)

☐ Other (specify):

Justification for property management fees in excess of HUD's Safe Harbor Standards, if applicable, supported by a regional market analysis:

N/A

Are there any incentive property management fees? ☐Yes X No

If yes, describe:

VII. LIHTC Equity

Instructions: If LIHTC are a funding source for this phase, provide the following information.

What is the amount of the equity raise (cents on the dollar for 10-year allocation): .96¢

Describe the pay-in schedule for the equity:

Milestone/Anticipated Date	Amount

(2) 95% of Funded AEL, as defined below (i) multiplied times the number of PHA-Assisted Units in the Development, (ii) multiplied by twelve, (iii) plus the amount of PHA-Assisted Utilities Expenses, incurred in such year (iv) minus PHA-Assisted Units Rental Income; or

(3) PHA-Assisted Units Expenses, (i) plus PHA-Assisted Utilities Expenses incurred in such year, (ii) minus PHA-Assisted Units Rental Income.

"Funded AEL" means the Authority's AEL minus the per-unit dollar amount of the Authority's operating subsidy entitlement which HUD does not fund in such year, as currently stated on line F-07 of Form 52723 (1/001). "PHA-Assisted Utilities Expenses" in any period is the total of actual expenses incurred during such period by the Development (and not by any tenant) for water, fuel oil, gas and electricity, multiplied by the Authority Percentage.

IX. Size and Use of Reserves

Instructions: In the following table, for each of the project reserves indicate its size (as a dollar amount or as a number of months or years of ACC), how the reserve is replenished, the conditions under which it can be accessed, and ownership of the reserve.

NOTE: Public housing funds can not be used for the initial funding of reserves. Submission of the Rental Term Sheet constitutes certification that the reserves are not funded with public housing funds. In addition, HUD expects all reserves that are replenished by public housing funds to remain with the project at the end of the tax-credit compliance period. If this is not the case for any of the reserves (with the exception of the exit tax reserve, which cannot be established <u>or</u> replenished with public housing funds), provide a justification for the alternate reserve ownership where indicated.

Type of Reserve: **Operating Subsidy/ACC/Public Housing**	Size: $995,569
How is the reserve capitalized?	Non-HOPE VI funds
How is the reserve replenished?	If the reserve balance goes below the established floor of $560,000, the PHA shall be responsible for its replenishment out of income received by the PHA
When can the reserve be accessed?	When ACC payments are less than the SFHA operating subsidy commitment as defined in the Regulatory and Operating Agreement, i.e. agreed upon % AEL less tenant paid rent plus utilities.
Who owns the reserve?	San Francisco Housing Authority

Type of Reserve: **Operating Deficit (covers all 260 units including 148 PHA units)**	Size: $850,790
How is the reserve capitalized?	Non-HOPE VI Funds
How is the reserve replenished?	Reserve is not replenished, unless required project lender.
When can the reserve be accessed?	When operating expenses for all units exceed operating income.
Who owns the reserve?	Partnership

follows:

1) Payment of Partnership & Asset Management Fee
2) Ground Lease Payment to the San Francisco Housing Authority
3) Incentive Fee payment to Developer
4) Additional ground lease payment to the Authority (within MHP allowable distribution)
5) Remaining balance is proportionately split between San Francisco Redevelopment Agency, the MHP loan, and the HOPE VI loan.
6) Any additional cash flow is distributed to limited and general partner based on their percentage ownership in the partnership.

What are the expected sources of program income (e.g., repayments of loans, PHA development fees, etc.) and what is the PHA's planned use for this program income?

- ✓ The capitalized ground lease payment that the PHA will receive will be used to fund the ACC Operating Reserve and the Initial Operating Reserve.
- ✓ Based on the amount of residual receipts available for distribution the authority ground lease payments.
- ✓ As a management fee the PHA is scheduled to receive 5% of the funded AEL.

Complete the following table to indicate what fees (e.g., developer fee, asset management fee, property management fee, etc.) are to be paid to the PHA/PHA Affiliate.

Type of Fee/Description	Amount
	$
	$
	$

XI. Additional Information on the Project

Instructions: In narrative form, provide any additional information on the project and business terms of which HUD should be aware when reviewing the terms for this phase. Such issues might include:

- unusual programs or fee structures HUD will need to evaluate;
- justifications for any fees or structures proposed outside of HUD's Safe Harbor or Cost Control limitations;
- effect of a consent decree on the mixed-finance project;
- market concerns;
- use of Capital Funds as bridge loan; and/or
- other circumstances that will result in unusual terms or the need for a delayed or accelerated closing.

Grantee: San Francisco Housing Authority (Valencia Gardens)

(208) Public Housing Rental Units; (52) Tax Credit Units; (0) Market Units; (0) For-Sale Units

EXHIBIT F

SUMMARY BUDGET ENTIRE PROJECT

(Rename columns with actual development sources)

	HOPE VI Funds	First Mortgage	Second Mortgage - Section 8	AHP Funds	SFRA Funds	MHP Funds	Construction Loan	GP Equity	Tax Credit Equity	Total Funds
A. Proposal: Development Sources										
HOPE VI Funds	$ 15,716,275									$ 15,716,275
Tax Credit Equity								$ -	$ 26,187,019	$ 26,187,019
Federal Home Loan Bank Aff. Hsg. Funds				$ 1,000,000						$ 1,000,000
First Mortgage		$ 5,700,000								$ 5,700,000
Additional Loan Supported by Section 8 Income			$ 5,600,000							$ 5,600,000
Other San Francisco Redevelopment Agency					$ 5,000,000					$ 5,000,000
Other: Multifamily Housing Program						$ 7,000,000				$ 7,000,000
Other: GP Equity								$ 850,000		$ 850,000
Construction Loan							$ 40,000,000			$ 40,000,000
Subtotal Development Sources	$ 15,716,275	$ 5,700,000	$ 5,600,000	$ 1,000,000	$ 5,000,000	$ 7,000,000	$ 40,000,000	$ 850,000	$ 26,187,019	$ 107,053,294
B. Additional Project Sources										
HOPE VI Funds	$ 7,514,366									$ 7,514,366
Capital Funds										
Total Additional Sources	$ 7,514,366	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,514,366
TOTAL SOURCES (A & B)	$ 23,230,641	$ 5,700,000	$ 5,600,000	$ 1,000,000	$ 5,000,000	$ 7,000,000	$ 40,000,000	$ 850,000	$ 26,187,019	$ 114,567,660
A. Proposal: Development Uses										
Construction Costs:										
Residential Construction	$ 15,716,275				$ 1,419,595		$ 22,869,522		$ 2,700,000	$ 42,705,392
Site Work					$ 858,928		$ 3,254,967			$ 4,113,895
Bond Premium							$ 284,809			$ 284,809
Contingency							$ 4,752,403			$ 4,752,403
Other: Childcare Center Buildout							$ 275,000			$ 275,000
Subtotal	$ 15,716,275	$ -	$ -	$ -	$ 2,278,523	$ -	$ 31,436,701	$ -	$ 2,700,000	$ 52,131,499
Development Fees:										
Architects							$ 2,783,525			$ 2,783,525
Accounting										
PHA Legal										
Developer Legal					$ 5,500					$ 5,500
Legal Fees - Construction Loan Closing							$ 55,000			$ 55,000
Legal Fees - Syndication					$ 45,000					$ 45,000
Legal Fees - Permanent Loan Closing		$ 40,000								$ 40,000
Permits							$ 769,287			$ 769,287
Appraisal							$ 20,000			$ 20,000
Engineering/Environmental							$ 565,000			$ 565,000
Constr. PILOT & Taxes										
Insurance							$ 700,000			$ 700,000
Title & Recording Fees		$ 10,000					$ 50,000			$ 60,000
First Mortgage Interest										
Construction Loan Interest							$ 1,501,147			$ 1,501,147
Construction period Letter Credit Issuer Fees					$ 1,123,668					$ 1,123,668
Negative Arbitrage					$ 224,496					$ 224,496
Permanent Loan Insurance Costs										
Consultants					$ 35,000		$ 200,000			$ 235,000
Equipment & Furnishings							$ 300,000			$ 300,000
Tax Credit Fees					$ 88,958					$ 88,958
Marketing							$ 200,000			$ 200,000
Lease-Up Interest & Expenses										
Initial Operating Period Reserve					$ 300,000				$ 550,790	$ 850,790
Capitalized Operating Subsidy Reserve					$ 200,000				$ 995,569	$ 1,195,569
Services Reserve									$ 150,000	$ 150,000
Exit Tax Reserve										
Developer's Fee							$ 619,340		$ 1,880,660	$ 2,500,000
Other: Soft Cost Contingency							$ 800,000			$ 800,000
Other: Costs of Bond Issuance					$ 698,855					$ 698,855
Other: Audit									$ 10,000	$ 10,000
Repayment of Construction Loan		$ 5,650,000	$ 5,600,000	$ 1,000,000		$ 7,000,000		$ 850,000	$ 19,900,000	$ 40,000,000
Subtotal	$ -	$ 5,700,000	$ 5,600,000	$ 1,000,000	$ 2,721,477	$ 7,000,000	$ 8,563,299	$ 850,000	$ 23,487,019	$ 54,921,795
Total Project Development Costs (Proposal)	$ 15,716,275	$ 5,700,000	$ 5,600,000	$ 1,000,000	$ 5,000,000	$ 7,000,000	$ 40,000,000	$ 850,000	$ 26,187,019	$ 107,053,294
B. Additional Project Uses										
Housing Authority Administration	$ 1,300,000									$ 1,300,000
Program Management										
Community & Supportive Services	$ 1,230,000									$ 1,230,000
Demolition & Remediation	$ 2,364,366									$ 2,364,366
Relocation	$ 1,107,000									$ 1,107,000
Other:SFHA Fees and Costs	$ 1,513,000									$ 1,513,000
Total Additional Uses	$ 7,514,366	$ -	$ -	$ -	$ -	$ -		$ -	$ -	$ 7,514,366
TOTAL PROJECT USES (A & B)	$ 23,230,641	$ 5,700,000	$ 5,600,000	$ 1,000,000	$ 5,000,000	$ 7,000,000	$ 40,000,000	$ 850,000	$ 26,187,019	$ 114,567,660

H

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94102 • (415) 554-1200

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

Julie Lee, President
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

FROM: GREGG FORTNER, SECRETARY/ EXECUTIVE DIRECTOR

DATE: June 18, 2004

RE: **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXPEND AN AMOUNT NOT TO EXCEED $98,000 FROM THE 2002 CAPITAL FUND PROGRAM FOR THE IMMEDIATE REVITALIZATION OF A PORTION OF THE SUNNYDALE GROUNDS WITH A NEW BASKETBALL COURT, CHILDREN'S PLAY AREA, WHEELCHAIR ACCESSIBILITY AND OTHER IMPROVEMENTS AS NECESSARY.**

Overview

This resolution authorizes the Executive Director to expend an amount not-to-exceed $98,000 from the FY2002 Capital Funds for the immediate revitalization of a portion of the Sunnydale grounds (site work) between Santos and Hahn, by the parking lot/ half basketball court behind building 43-21 Santos. Following the successful improvements and March Gladness event at Hunters View, this Sunnydale block, an historically troubled and blighted area of the community, was selected by the City to receive substantial site work improvements and amenities in preparation for an event on July 24, 2004.

This site work is being accomplished in cooperation with the San Francisco Department of Public Works (DPW), the San Francisco Department of Recreation and Parks (Rec & Park), Mayor's Office of Neighborhood Services (MONS), non-profit organizations and private businesses. The improvements lead to a July 24, 2004, Grand Opening of the site work with an emphasis on "taking care of the gardens around your homes." The Authority has committed to perform the following work with funds from the 2002 Capital Fund Program:

- New base rock and paving of the basketball court,
- New base rock and paving of the street off Santos leading into the basketball court for fire access purposes,
- Other work as necessary.

After several meetings, a strategy was developed to demolish the existing dilapidated amenities and convert them into a full-scale, professional size basketball court (with a work order based on an intergovernmental agreement between the Authority and DPW, and other small contracts as may be necessary), and a new playground facility. DPW will create an ADA accessible path of travel between Santos and Hahn and make improvements to the infrastructure within that path including improving and adding a second playground with a new "tire" swing replacing the currently outdated playground area halfway down the path between Santos and Hahn.

In addition to grading and building the path of travel, DPW will gather resident volunteers' assistance to plant their backyards ancillary to the path of travel. The reprogrammed funding will enable the Authority to comprehensively upgrade the Sunnydale infrastructure in this corridor, leveraging over $500,000 being spent by other agencies in this project, reconfiguring ADA paths of travel, adding fencing to create private backyards and replacing nonexisting landscape material with drought resistant plants and ground cover that will withstand the weather conditions.

Sunnydale was selected based primarily on the following factors and considerations:

Capacity of the agencies working together and ability to implement the proposed activities in a timely manner - The Authority has extensively studied Sunnydale's deterioration, infrastructure needs and site configuration problems. A master plan was prepared in 1991 with extensive resident input that is the basis for the proposed improvements under the master plan prepared for the unawarded HOPE VI application in 1996. Construction documents for Phase I of modernization improvements were completed in 1994 and roofing replaced throughout in 1997. The Authority's Family Sweep, Forced Labor, construction crews performed modernization work at the site, and the proposed improvements.

Soundness of Approach –In 1995, HUD, the City and the Authority entered into a Memorandum of Understanding committing to improve Visitacion Valley and the Sunnydale public housing. The Authority is continuing its work with HUD and the City as part of the MOU, the Visitacion Valley Enterprise Community designation, services coordination and the three replacement housing developments with 332 units that were recently developed in the Geneva Towers site. This initiative came as the homicide rate in San Francisco is soaring, and most specifically, with 42 slayings this year alone, making it one of the deadliest periods in recent times.

Resident and Community Participation - The Conceptual Plan for this Phase I has been developed with the assistance of Sunnydale residents and resident leaders. Resident input was provided through the existing Master Plan, an independent survey currently underway by Project Connect and resident surveys being conducted by our Authority's Community and Supportive Services staff and meetings with residents. Project Connect has temporarily pulled 50 city employees from their regular duties. Another 50 or so voulunteers will be tapped from the communities in which the canvassing is being conducted. Some of the volunteer work will turn into $8.50/ hour jobs, funded with money designated as a summer youth employment program. Meetings have been held with resident leaders to obtain their support for this project. Notification of the work was distributed to each apartment at Sunnydale on June 4, 2004, (see enclosed flyer) and work was commenced on June 7, 2004.

Objectives
The objectives of this Resolution are the following:

1. Expend funds from FY 2002 Capital Funds to immediately prepare a work order with DPW, and enter into small contracts as necessary, to rebuild the basketball court and fire lane ancillary to it in an efficient and economic way, and make some improvements to the playground.
2. To show the Authority's good faith effort in contributing to and leveraging funds for the work being conducted at a public housing site.
3. To improve the properties' amenities, which will ensure a safe, secured, and fun environment for Sunnydale residents and meet ADA Standards.

Procurement
The procurement process for the action covered by this Resolution meets the procurement standards of 24 CFR 85.36 "Procurement," HUD Handbook 7460.8 REV 1, "Procurement Handbook of Public Housing Agencies and Indian Housing Authorities," the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws.

To foster greater economy and efficiency, grantees and subgrantees of HUD funding are encouraged to enter into State and local intergovernmental agreements for procurement or use of common goods and services. A work order between DPW, the Authority, and other small contracts as may be necessary, will allow for a timely response to the July 24, 2004, deadline and the opportunity to expend the money efficiently. DPW does not require Plans and Specifications, which would also save the cost of construction plans and bidding process. Getting three (3) bids under $25,000 for other work as necessary may give the Authority some economic advantages. Independent estimates performed by Authority staff indicate the work requested of the Authority could go up to $200,000 if performed through a bid process. If the work is performed by DPW and other small contracts as necessary, the work could cost below $100,000.

Present Situation
The infrastructure at Sunnydale is over 60 years old and severely deteriorated. Many of the streets, playgrounds and spaces between buldings are considered very unsafe and are not ADA accessible. Sunnydale has not received any significant infrastructure funding to improve the grounds since it was originally built in 1941. Using these funds to make some of the improvements and leverage thousands of dollars being invested by the City will provide a better living environment for several dozen families at Sunnydale.

Anticipated Outcomes
The anticipated outcomes are in the following areas:

- The Authority will receive site improvements in the amount of over $500,000, positive media exposure, improved living conditions for residents, and summer youth employment.
- Improvements will be ADA accessible and comply with Federal, State and local codes and regulations
- Involvement of residents in setting priorities and decision-making.
- Opportunities for expanded employment activity for residents.
- Improved curb appeal.

- Improved safety and quality of life for residents.

Who Benefits
Sunnydale public housing residents will benefit from improved living conditions, summer youth employment opportunities and improved Sunnydale's curb appeal and management of the grounds.

Budget Considerations
Funding is available through the FY2002 Capital Fund Program. The allocation of this funding towards this work at Sunnydale will show the Authority's good faith effort in contributing to and leveraging funds for the work being conducted at a public housing site by other city agencies.

Resident Employment
This interagency work and other small contracts as necessary, will act as a model project for the site work for Summer Youth employment in three (3) other areas of the residential development. The funding has already been approved by the Mayor's Office of Neighborhood Services and will involve similar planting, site and gardening work to improve the grounds at Sunnydale.

MBE/WBE Status
The work will be done through a work order with DPW, a city agency, with volunteers and eventually paid-youth from the Sunnydale community, and there may be other small contracts as may be necessary in order to meet the deadline.

Recommendation
I recommend that the attached resolution be approved authorizing the Executive Director to expend FY2002 Capital Funds for improvements at Sunnydale through a work order with DPW and other small contracts as may be necessary.

(Materials Prepared by Barbara T. Smith and Juan S. Monsanto,
Housing Development and Modernization Department)

RESOLUTION NO. 5161
DATE ADOPTED: 6/24/04

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXPEND AN AMOUNT NOT TO EXCEED $98,000 FROM THE 2002 CAPITAL FUND PROGRAM FOR THE IMMEDIATE REVITALIZATION OF A PORTION OF THE SUNNYDALE GROUNDS WITH A NEW BASKETBALL COURT, CHILDREN'S PLAY AREA, WHEELCHAIR ACCESSIBILITY AND OTHER IMPROVEMENTS

WHEREAS, following an evaluation of the Bayview Hunters Point public housing sites, the Mayor's Office of Neighborhood Services (MONS) approached several City agencies to gather feedback about the most critical issues affecting inner city areas; and,

WHEREAS, following the successful improvements and March Gladness event at Hunters View, the Sunnydale's block area between Santos and Hahn, an historically troubled and bligthed area of the community, was selected by the City to receive subtantial site work improvements and amenities in preparation for an event on July 24, 2004; and,

WHEREAS, the Authority has committed to perform the following portion of the work with funds from the 2002 Capital Fund Program: new base rock and paving for a basketball court, new base rock and paving of the street/fire lane off Santos leading to the basketball court , installation of playground equipment and other work as necessary; and,

WHEREAS, this work is being accomplished in cooperation with the San Francisco Department of Public Works (DPW), the San Francisco Department of Recreation and Parks (Rec & Park), MONS, non-profit organizations and private businesses for the planned July 24, 2004 Grand Opening of the improvements and amenities with an emphasis on "taking care of the gardens around your homes"; and,

WHEREAS, grantees and subgrantees of HUD funding are encouraged to enter into State and local intergovernmental agreements for procurement or use of common goods and services; and,

WHEREAS, the objective of this resolution is to show the Authority's good faith effort in contributing to and leveraging funds for the work being conducted at a public housing site; and,

WHEREAS, the Authority will receive site improvements in the amount of over $500,000, positive media exposure at Sunnydale, improved living conditions for residents, summer youth employment, ADA accessibility and improved safety and quality of life for residents.

NOW THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is authorized to expend an amount not to exceed $98,000 from the FY2002 Capital Fund Program to use for the immediate revitalization of a portion of the Sunnydale grounds (site work) between Santos and Hahn, by the parking lot/half basketball court behind building 43-21 Santos by July 24, 2004, through a work order with DPW and other small contracts as may be necessary.

2. The Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

Donna Martin

Donna Martin, General Counsel

6-21-04

Date

REVIEWED BY:

Gregg

Gregg Fortner, Executive Director

6/21/04

Date

(Materials Prepared by Barbara T. Smith and Juan S. Monsanto, Housing Development and Modernization Department)

SAN FRANCISCO HOUSING AUTHORITY

BUDGET REVISION REQUEST FORM

CAPITAL FUND 2002- (712)
REVISION # CF-02-137

NOTE: PLEASE RETURN ORIGINAL COPY TO LIZ TANG – HOUSING DEVELOPMENT AFTER FINANCE ADMINISTRATOR SIGNED. THANKS.

SAN FRANCISCO HOUSING AUTHORITY

MODERNIZATION AND CONSTRUCTION

BUDGET REVISION APPROVAL REQUEST FORM

GRANT NAME: CAPITAL FUND 2002

FUND #: 712

REVISION #: CF-02-137

EFFECTIVE DATE: 6/18/2004

DEVELOPMENT NAME & NUMBER	WORK DESCRIPTION	SOLICITATION #	ORIGINAL LINE ITEM AMOUNT	(DECREASE) INCREASE AMOUNT	ACCOUNT NUMBER	REVISED PROJECT COST
PHA WIDE	ROOFING	N/A	$316,379	($98,000)	712-146000-212000-750-000	$218,379
SUNNYDALE	SITE WORK		$0	$98,000	712-145000-371000-321-003	$98,000
			$316,379	**$0**		**$316,379**

JUSTIFICATION FOR REVISION:
REVISE TO ADD SUNNYDALE SITE WORK $98,000 - AGREEMENT WITH DPW AND SFHA. THIS PROJECT WAS REQUESTED BY THE MAYOR OF SF

PR# 37706

6/18/04

SIGNATURES OF APPROVAL:

CONTRACT MANAGER: J. MONSANTO DATE: 6/18/04

REQUESTING DEPT: Robert Dahlstrom /B. Smith DATE: 6/18/04

BUDGET APPROVAL: Terry Mulios DATE: 6/21/04

FINANCE ADMINISTRATOR: David Esparza DATE: 06/21/04

EXECUTIVE DIRECTOR: DATE:

HUD APPROVAL: DATE:

ACKNOWLEDGEMENT OF RECEIPT:

Name:

Signature:

Date:

CC: Alicia Sisca/Liz Tang

PURCHASE REQUISITION

Req. Date	Requested Delivery Date	Quotation Number	Terms	Requisition#	Requested Vendor	Buyer
06/18/04	06/25/04			037706	DEPARTMENT OF PUBLIC WORK	

Ship to: SAN FRANCISCO HOUSING AUTHORITY
HOPE VI
1815 EGBERT AVENUE, 3RD FLOOR
SAN FRANCISCO, CA 94124

F.O.B.

Special Instructions
SPEC. PROJECT

Requestor Name
JUAN MONSANTO

Vendor: DEPARTMENT OF PUBLIC WORKS
875 STEVENSON STREET ROOM 460
SAN FRANCISCO, CA 94103

Requested by: 6/18/04

Department Head:

Budget:

Exec. Dir.:

Ln #	Qty Ordered	U/M	Stock#	Loc	Vendor Stock Number	Unit Price	Trade Discount	Sales Tax	Freight	Price Extension
1	1	JOB				98,000.0000				98,000.00
			SITE WORK FOR SUNNYDALE DEVELOPMENT							
					TOTALS					98,000.00

Account Distribution:	Ln#	GL Account	Amount
	1	712 145000 371000 321 003	98,000.00

6/18/04

PURCHASE REQUISITION

Req. Date	Requested Delivery Date	Quotation Number	Terms	Requisition#	Requested Vendor	Buyer
06/18/04	06/25/04			037706	DEPARTMENT OF PUBLIC WORK	

Ship to: SAN FRANCISCO HOUSING AUTHORITY
HOPE VI
1815 EGBERT AVENUE, 3RD FLOOR
SAN FRANCISCO, CA 94124

F.O.B.

Special Instructions
SPEC. PROJECT

Requestor Name
JUAN MONSANTO

Vendor: DEPARTMENT OF PUBLIC WORKS
875 STEVENSON STREET ROOM 460
SAN FRANCISCO, CA 94103

Requested by: 6/18/04

Department Head: 6/18

Budget: 6/21/04

Exec. Dir.:

Ln #	Qty Ordered	U/M	Stock#	Loc	Vendor Stock Number	Unit Price	Trade Discount	Sales Tax	Freight	Price Extension
1	1	JOB				98,000.0000				98,000.00
			SITE WORK FOR SUNNYDALE DEVELOPMENT							
					TOTALS					98,000.00

Account Distribution:

Ln#	GL Account	Amount
1	712 145000 371000 321 003	98,000.00

6/18/04

RECEIVED
JUN 21 2004
BUDGET OFFICE

RECEIVED
JUN 2[illegible] 2004
FINANCE DEPARTMENT

MODERNIZATION/CONTRACT ADMINISTRATION DEPARTMENT
PURCHASE REQUISITION DRAFT

DATE:

REQUESTED DELIVERY DATE:

VENDOR

SHIP TO

City of SF Department of Public Works

SPECIAL INSTURCTION

ITEM	QTY. ORD.	UNIT	STOCK #	DESCRIPTION	EST. COST	ACCOUNT NO.
				DPW and SFHA agreement in the amount of $98,000 to conduct miscellaneous construction work @ ~~Sny~~ Sunnydale development (CAL 1-3) - SITE WORK	$98,000	712145000-371000 321-003
						PR# 37706 6/18/04
						RQ# CC-02-137
				TOTAL:	$98,000	

REQUESTOR NAME: [signature]

DATE: 6/18/04

DEPARTMENT HEAD:

DATE:

SAN FRANCISCO HOUSING AUTHORITY

MODERNIZATION AND CONSTRUCTION

BUDGET REVISION APPROVAL REQUEST FORM

GRANT NAME: CAPITAL FUND 2002

FUND #: 712

REVISION #: CF-02-137

EFFECTIVE DATE: 6/18/2004

DEVELOPMENT NAME & NUMBER	WORK DESCRIPTION	SOLICITATION #	ORIGINAL LINE ITEM AMOUNT	(DECREASE) INCREASE AMOUNT	ACCOUNT NUMBER	REVISED PROJECT COST
PHA WIDE	ROOFING	N/A	$316,379	($98,000)	712-146000-212000-750-000	$218,379
SUNNYDALE	SITE WORK		$0	$98,000	712-145000-371000-321-003	$98,000
			$316,379	**$0**		**$316,379**

JUSTIFICATION FOR REVISION:
REVISE TO ADD SUNNYDALE SITE WORK $98,000 - AGREEMENT WITH DPW AND SFHA. THIS PROJECT WAS REQUESTED BY THE MAYOR OF SF

PR# 37706

6/18/04

SIGNATURES OF APPROVAL:

CONTRACT MANAGER: J. MONSANTO — DATE: 6/18/04

REQUESTING DEPT: Robert Dahlstrom /B. Smith — DATE:

BUDGET APPROVAL: Terry Mulios — DATE:

FINANCE ADMINISTRATOR: David Esparza — DATE:

EXECUTIVE DIRECTOR: — DATE:

HUD APPROVAL: — DATE:

ACKNOWLEDGEMENT OF RECEIPT:

Name:

Signature:

Date:

CC: Alicia Sisca/Liz Tang

HOUSING AUTHORITY
OF THE
CITY AND COUNTY OF SAN FRANCISCO

Minutes of Regular Meeting
Thursday, June 24, 2004

440 Turk Street
San Francisco, California

The Housing Authority of the City and County of San Francisco met in a regularly scheduled meeting at 440 Turk Street, San Francisco, California on Thursday, June 24, 2004, at 4:00 p.m.

President Julie Lee called the meeting to order at 4:10 p.m.

1. ROLL CALL

Roll call found the following members to be:

PRESENT: *Julie Lee, President*
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

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A quorum was present.

ALSO PRESENT: *Mr. Gregg Fortner, Executive Director*
Ms. Donna Martin, Agency Counsel

2. APPROVAL OF AGENDA

Executive Director, Gregg Fortner asked that the agenda and item E be amended to read "838 Pacific Avenue" instead of "795 Pacific Avenue." Commissioner Smith moved to approve the agenda as amended. Commissioner Gans seconded the motion. The motion to approve the agenda as amended was unanimously approved.

3. APPROVAL OF MINUTES

President Julie Lee stated that the minutes should be corrected to reflect that she called the meeting of June 10, 2004 to order, versus Vice President Brown. Commissioner Woodruff moved to approve the minutes of June 10, 2004 as corrected. Commissioner Gans seconded the motion. The motion to approve the minutes of the June 10, 2004 Commission Meeting as corrected was unanimously passed.

4. GENERAL COMMUNICATIONS
5. REPORT OF SECRETARY

Mr. Fortner stated that within the Commissioners' folders were the Commission Request Log and an updated lease-up report. The numbers of the lease-up report have been stagnant due to an unforeseen family emergency in the supervisory division of Eligibility. The last item in the folder was the incident report of shootings on SFHA property since the last Commission meeting.

As part of the Report of the Secretary, Mr. Fortner reminded the Commission that on July 31st, the Mayor would be holding a community event in Sunnydale to showcase the new playground, as well as other improvements. Service providers would also be present. The event would take place from 10:00 a.m. until 3:00 p.m. Next, Mr. Fortner announced that the second Scherwin Williams painting class would be graduating from a two-week extensive training course on June 25, 2004 at 10:00 a.m., in the Commission room. This is an ongoing program with Scherwin Williams at no cost to the SFHA. Upon completion, the class would go out and paint a few units in the Sunnydale development. Mr. Fortner then thanked Peg Stone, who was present in the audience, for completing a thorough tax credit and bond training for the Commissioners. On June 23, 2004 the second of a two-part training was held and a few of the Commissioners attended. Mr. Fortner complimented Ms. Stone on her patience and ability to simplify such a complex issue. Lastly, Mr. Fortner announced that Jim Williams was retiring from employment with the SFHA. Mr. Williams had been with the Housing Authority since 1976. Mr. Fortner said that Mr. Williams stated he would miss the people and the relationships he'd built over the years. Mr. Williams has held the positions of Director of Re-housing, Family Community Service Officer, District Manager, Relocation Manager, Assistant Director of Conventional Housing, and most recently, the Director of Administrative Services. Mr. Fortner said that Mr. Williams was the person the police called at two o'clock in the morning, when there was criminal activity in SFHA developments. Mr. Williams would investigate the situation regardless of the time. Mr. Fortner thanked Mr. Williams for his dedication and 28 years of a job well done. Mr. Fortner then passed around a picture of Mr. Williams from the late 70s.

Vice President Brown asked if there was any progress being made on scheduling a joint Commission meeting with the Police Commission. Mr. Fortner answered that staff has been in contact with Lt. Geeter, who assured the SFHA that a meeting would be scheduled as soon as possible. There are all new members on the Police Commission and it has been difficult to get on their calendar. Vice President Brown also asked Mr. Williams if the police report detailed the latest incident in Potrero Hill on June 4, 2004. Mr. Williams clarified that the report was for June '04 and not June 4th and the latest incident in Potrero was included.

6. COMMITTEE REPORTS

Diversity Committee

Commissioner Smith reported that the Diversity Committee met on June 17, 2004. First on the agenda was the process of rent adjustments. Commissioner Smith stated that rent adjustments were made based on the financial status and medical expenses of tenants. There are times when the SFHA may owe a client a refund. In these cases, the tenant's rent would be adjusted to balance what the SFHA owes and what the client owes. Next on the agenda was Squatters in Senior Buildings. Commissioner Smith stated that there was some confusion over what she meant by that agenda item. She clarified that her intention was to bring attention to seniors having family members stay beyond the visitation period. Commissioner Smith stated that Jim Williams reported on security in the Big Four developments. Mr. Williams said that there needs to be a Big Five and include the Alemany development. Commissioner Smith asked Mr. Williams to summarize his report.

Mr. Williams stated that the report included the crime statistics from the San Francisco Police Department received on a quarterly basis. The statistics detailed the crimes in each development and specified the crime category. The crime categories are labeled as Part 1 and Part 2. Part 1 crimes are defined as homicides, rapes, and robberies. Part 2 crimes are less serious offenses such as narcotics and malicious mischief. The report provided the differences between last year and this year's statistics. Mr. Williams said that despite the heavy media coverage when a crime occurs, it is not as bad as they make it seem. Overall, the crime statistics provided by the police department indicated a downward spike in crime at the Big Four developments. Vice President Brown asked if all Commissioners could receive a copy of the report. Mr. Williams agreed to provide the copies before the meeting adjourned.

In continuing her report, Commissioner Smith stated that Buddy Choy submitted a report from the Office of Fair Housing. One hundred sixteen phone calls had been received regarding various topics. Four hundred seven calls were directed to the Chinese line; 236 calls in Russian; 216 in Vietnamese; 96 calls in Spanish; and 348 calls in English. The Office of Fair Housing was able to resolve all of the incoming issues. Commissioner Smith asked Deputy Executive Director, Naja Boyd if a Spanish interpreter could be dispatched to tenant association meetings. Ms. Boyd answered yes, if enough advance notice is provided. Next on the agenda was North Beach. Commissioner Smith stated that North Beach would open on September 1, 2004 and all returning tenants would get the first choice on dwelling units. Of the 341 apartments, 229 are public housing units and the rest are at market rate. Commissioner Palega asked how many residents are expected to return. Mr. Fortner answered that the SFHA expects about 60% of the 229 residents to return. This is based on the return rates of the previous HOPE VI projects. Commissioner Smith asked for more details on the letters sent to residents regarding North Beach. Ms. Boyd responded that 26,000 letters were sent to people on the Section 8 list and 3,000 to those on the public housing list. Mr. Fortner added that the reason so

many were sent was in an effort to fill the tax-credit housing. The letters were sent to ensure compliance with the management plan attached to the HOPE VI application for North Beach.

Finance Committee
No report.

Personnel Committee
No report.

7. REPORT OF AGENCY COUNSEL

Agency Counsel Donna Martin stated that there was no closed session and nothing to report.

8. TENANT REPRESENTATIVE REPORT

City Wide Council - Senior/Disabled

Mr. Fortner stated that Mr. Vitalie was present earlier, but left due to illness. President Lee asked Mr. Fortner to call Mr. Vitalie to wish him a speedy recovery from the Commission.

Public Housing Tenants Association (PHTA)

President of the PHTA, Kimberly Brown stated that they are currently working on their bylaws and outlining what other boards need to work on as well. The 501C3 issue is really important to enable tenant associations to raise funds for on site resident programs. Ms. Brown stated that the PHTA had obtained a lawyer to assist in developing their bylaws and their next meeting would be on June 28, 2004. Ms. Brown announced that Sunnydale would be having a program for all victims of violence on Saturday, June 26, 2004. Through the Mayor's Office, Kim Mitchell is initiating a program to help develop resident leaders in public housing developments. Seven men from Sunnydale, four men from Harbor Road, three men from Hunter's View, and two or three Alemany men are participating in the program. Mr. Fortner added that the program is financed by the Private Industry Council. Kim Mitchell was hired by Pam Calloway because of her ability to engage the at-risk youth community. The program is taught at City Hall. Ms. Brown confirmed that they are being taught at City Hall and are being paid $12 an hour. After they receive their first paycheck, the program will take them to the bank to establish a bank account. The young men are from the ages of 20 – 26. Next, Ms. Brown announced that the Housing Authority staff would hold a resident leaders' training on July 24, 2004 and PHTA would have a "Meet and Greet" session for all resident leaders on July 17, 2004. Ms. Brown encouraged everyone to come to Sunnydale on July 31, 2004 to support the Mayor and the resident's program.

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

Malcom Vasquez of Kitech Security Systems, Inc. stated that he was from the company seeking the contract to replace the intercom systems. Mr. Vasquez said that this was his first time at a board meeting and filled out the visitor's card because he thought it was proper protocol. President Lee instructed Mr. Vasquez to have a seat and the Commission would hear from him during New Business.

The same applied to Karen Song of Kitech Security Systems, Inc.

10. UNFINISHED BUSINESS – None

11. NEW BUSINESS

Resolution No. 5154

(A) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) THE AUTHORITY'S ANNUAL PLAN AS MANDATED BY SECTION 511 OF THE QUALITY HOUSING AND WORK RESPONSIBILITY ACT OF 1998

Deputy Executive Director Naja Boyd presented the resolution. Ms. Boyd stated that the Annual Plan is the template that the entire staff contributed to. Ms. Boyd thanked Rufus Davis for an excellent job at coordinating the effort. The process was started in March of 2004 and a total of eight meetings were held. Four of the eight were Resident Advisory Board meetings. Eligibility, Section 8, Public Housing, and Modernization staff met with groups of Section 8 and Public Housing residents to discuss the agency's plan for the year. Staff also met with two other organizations that advocate for tenants. The changes in the plan were minimal and mostly dealt with the language of admissions policies, homeless categories and domestic violence. Advertisements were in all of the major newspapers and translation was provided in all public hearings. The Agency Plan must be submitted to HUD by July 15, 2004 and if the SFHA does not comply, the agency would be subjected to sanctions of funding.

Vice President Brown moved to approve Resolution No. 5154. Commissioner Smith seconded the motion. The motion to approve Resolution No. 5154 was unanimously passed.

President Julie Lee requested a summary of the changes made from the previous year to this one. Ms. Boyd stated that the summary would be provided at the next Commission meeting.

Resolution No. 5155

(B) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A LETTER OF AGREEMENT WITH THE SHERIFF'S DEPARTMENT FOR THE CITY AND COUNTY OF SAN FRANCISCO TO OBTAIN CRIMINAL HISTORY INFORMATION ON PERSPECTIVE RESIDENTS AND EMPLOYEES IN AN AMOUNT NOT TO EXCEED $73,681.00

Michael Roetzer, Administrator for Management Services informed the Commission that this was a continuation of a contract the SFHA has held with the Sheriff's Dept. in the past. The SFHA is required to obtain criminal history checks on all residents entering into Public Housing or Section 8 over the age of 18 and the SFHA personnel policy requires criminal background checks on all new employees of the Housing Authority. The Sheriff's Dept. produces very comprehensive reports through their CLETS system. All criminal activity that has taken place in California and some nationwide reports are included. Any registered sex offenders and drug offenders are also included in the report. Mr. Roetzer stated that the SFHA has a good working relationship with the Sheriff's Dept. The approval of the resolution would authorize up to 5,000 reports for $73,681.00, which is a small increase from the amount it cost last year.

Vice President Brown asked how many reports are requested. Mr. Roetzer answered that it varies by household, but Section 8 and Public Housing were polled to estimate how many reports they anticipated over the next year and 5,000 is how many the SFHA would need. Mr. Fortner added that the number increased because most of the vacancies are in the southeast sector of the city and more applicants must be screened before one of the units is accepted. Vice President Brown asked what steps an applicant could take to clear their name if someone in their household does not pass the screening process. Eligibility Manager, Nannette Sparks answered that when a negative criminal background report is received, the applicant is sent a notice of denial. Included in the letter are the appeal rights of each applicant. If there are mitigating circumstances, the Eligibility Office would consider that. Appeals are completely denied if the applicant is a lifetime sex offender or have been convicted of manufacturing methanphetamines in a public housing development.

Commissioner Woodruff asked if the criminal checks are done on the actual applicant. Ms. Sparks answered yes and that criminal background checks are done on current

residents who wish to add household members to their lease. Commissioner Woodruff asked if residents are notified of the findings of the criminal background checks. Ms. Sparks answered no. All of the criminal background checks are confidential and HUD mandates the destruction of the reports after the resident is housed. Mr. Fortner added that if a Section 8 landlord requests the report, the SFHA is obligated to provide it.

President Lee asked if the background checks are only done on new employees and residents. Mr. Roetzer answered yes and if an employee leaves the SFHA and returns, another criminal background check is performed. President Lee commented that because of the financial situation of the Authority, it is unlikely that new employees would be hired. In addition, the Section 8 list is closed, so they probably won't need to do as many background checks. President Lee stated that it is unlikely that the Authority would exceed 4,000 checks and although the price did not significantly increase, it probably won't be necessary. President Lee asked if the SFHA received less background checks would the Sheriff's Department give a more favorable price. Mr. Fortner pointed out that the resolution was a not-to-exceed amount. He also assured President Lee that the Sheriff's Dept. wouldn't hesitate to renegotiate if there were a significant decrease in the amount of checks being done. Mr. Fortner said that the reason the amount is so high is because the SFHA had to hire an employee to make sure the background checks were a priority for the Sheriff's Dept. President Lee responded that she thought this was a very important job because it is the first line to ensure the safety of the residents and community, but she did not believe it would exceed 4,000 checks. President Lee contended that if the SFHA gave the Sheriff's Dept. a lower figure the Agency could obtain a better price. Mr. Roetzer replied that lower numbers were considered, but if the SFHA went over the lower number, the cost would dramatically increase to more than the anticipated cost. Mr. Roetzer said that this issue would continually be monitored to find a better way to receive the same quality of service for a cheaper price as the number of checks decreases.

Vice President Brown expressed concerns about rehabilitated offenders that could not appeal a notice of denial and asked if it was a federal law prohibiting the appeal. Ms. Sparks answered yes. It is in the code of federal regulations. Mr. Fortner echoed her comments.

Commissioner Woodruff moved to approve Resolution No. 5155. Commissioner Gans seconded the motion to approve Resolution No. 5155. The motion to approve Resolution No. 5155 was unanimously approved.

<u>Resolution No. 5156</u>

(C) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH SONOMARIN INC. FOR THE HEATING AND DOMESTIC HOT WATER BOILERS REPLACEMENT WORK AT CAL 1-31, 25 SANCHEZ STREET, IN AN AMOUNT NOT TO EXCEED $237,818.00

Barbara Smith, Housing Modernization and Development Administrator described 25 Sanchez as a four-story, 90-unit, senior building built in 1972. The original boiler system is still in the building. The contract would include the heating boiler, domestic hot water boiler, storage tank and associated equipment and piping. The current boilers are unreliable and their replacement is urgently needed to ensure uninterrupted heat and hot water for the senior residents. Unless the boilers are replaced, the seniors will continue to receive intermittent disruption in their hot water service. Maintenance frequently has emergency calls to this site, thus increasing the cost of maintaining operations there. The solicitation for bids was issued on April 5, 2004. The bid documents included technical drawings and specifications furnished by the SFHA mechanical engineering consultant, Mechanical Solutions. The Authority advertised and outreached to potential bidders by using the past bidder's list, contractor's blue book and yellow pages. The Human Rights Commission faxed and emailed the invitation for bids to MBE/WBE contractors in this field, and the Authority mailed the invitation to bid and plans and specifications to the Building Trades Council and the Plumbers Union Local 38. The Authority also contacted the business agent of the Plumbers Union to encourage their members to bid on this job. The bid was advertised in various newspapers, posted on public agency websites, and sent to the Builders Exchanges. Only three contractors attended the bid walk, so the Plumbers Union was again contacted to encourage its members to submit a bid. On the closing date of May 5, 2004, the SFHA received one bid from a responsive and responsible bidder, Sonomarin. Ms. Smith stated that the contractor has over 20% MBE/WBE participation and the bid is 4% lower than the independent cost estimate. The SFHA asked the contractor if they would complete the work within their bid because it was lower than the cost estimate. The contractor committed to doing so. The contractor is a small firm of two persons and completes most of the work without assistance. Sonomarin committed to hiring one resident for more than 25% of the workforce hours. Ms. Smith then listed the various public entities Sonomarin had performed similar work for including: San Francisco State University, the county of Sonoma, San Francisco City College, and Sonoma State University. Sonomarin had also just completed the work at Holly Courts ahead of schedule and within the contract amount of $373,818.00. They performed additional work at Holly Courts within the contract amount, without requesting a change order. Sonomarin specializes in mechanical plumbing contracting and has the following licenses: an A general engineering contracting license, a B general building contractor license, C-4 boiler /hot water heating and steam fitting license, C-10 electrical/ general contracting license, C-20 warm air heating ventilating and air conditioning license, C-36 plumbing license, and C-43 sheet metal license. Sonomarin is not barred from federal procurement and non-procurement work. The work Sonomarin would perform is: site survey and verification of existing systems; demolition and removal of asbestos; demolition of the existing heating and domestic hot water boiler accessories controls and pipes; furnishing and installing new equipment and accessories; and provide a new electrical panel in the boiler room for the garage area and heating and domestic hot water for the residents at all times during construction. Ms. Smith reported that at Holly Courts, the resident employee of Sonomarin, William Jordan, worked 33% of the total workforce

hours. Mr. Jordan chose to work in the laborer's classification because the pay was higher than in the plumber's apprenticeship classification. He aspires to be an entrepreneur and bought a truck with the wages earned on the Holly Courts job. This new job would allow him to take the next steps to being in the recycling business for himself. Ms. Smith stated that Sonomarin was very pleased with the work performance of the resident and Mr. Jordan would be their first choice on this contract, if awarded, as well as contracts from other entities.

Commissioner Palega asked how Sonomarin achieves over 20% MBE/WBE when the two partners of the company perform the majority of the work. Commissioner Palega also questioned the lack of apprenticeship opportunities that were also present the last time the contract was awarded. He stated that it is great that the resident is able to achieve some of his goals, but after this job is over and there aren't any more contracts must also be taken into consideration. Commissioner Palega questioned the staff report's assertion that a contractor refused to bid because the job was too small. Commissioner Palega maintained that the statement was hard to believe because construction is not what it used to be and there are many people unemployed in this field. Ms. Smith responded that Sonomarin achieves the 20% MBE/WBE status because over 20% of their total contract amount is going to materials from an MBE/WBE supplier. The contractors are members of the Associated Builders and Contractors Association and their apprenticeship programs accredited by the State of California. They provide training and issue journey level card certificates from the State of California. The resident employee preferred to have a laborer's classification because of the higher wage rate. In response to Commissioner Palega's last inquiry, Mr. Fortner stated that staff just reported what the contractor's response was to refusing to bid.

Commissioner Smith asked if Sonomarin planned to employ Mr. Jordan until he started his own business. Ms. Smith answered that the contractor has committed to hiring him for this job and would also consider him for jobs outside of Housing Authority contracts.

William Jordan came forward to address the Commission. Vice President Brown asked what kind of work he has been doing with the contractor. Mr. Williams answered that he mostly assisted them when they needed tools, cleaned up, and observed to learn how to do the job on his own.

Commissioner Woodruff asked how many hours he worked a week. Mr. Jordan answered that he worked between 24-30 hours a week. Mr. Fortner asked how many years he has been in public housing. Mr. Jordan answered about 10 years.

Vice President Brown asked if there were any subcontractors on this job. Ms. Smith answered no.

President Lee asked the contractor to come forward. President Lee asked how old the existing boilers were. The contractor answered about 30 years old. President Lee then

asked if the contractor provided a guarantee on the labor and material. The contractor replied that the Housing Authority requested a two-year warranty. Commissioner Lee asked how long the warranty was for the boiler. The contractor answered that it was also a two-year warranty. Commissioner Lee also asked how long the manufacturer's warranty was for. The contractor answered that the storage tanks have a manufacturer's warranty of five years. Commissioner Lee expressed concerns to Ms. Smith about Sonomarin being the only contractor to bid on this job because the economy is bad and people are looking for work. Commissioner Lee stated that her concerns are the same as Commissioner Palega. Commissioner Lee asked that in the future, when there is only one bidder, to submit the names of the other applicants so the Commission could possibly make further inquiries as to why they declined to bid. Commissioner Lee stated that competition is good for the Agency. Mr. Fortner suggested that Ms. Smith collaborate with Mike Roetzer to develop a workshop to walk potential bidders through the Housing Authority process. This would effort would teach interested parties that it is not as cumbersome as first perceived.

Commissioner Smith moved to approve Resolution No. 5156. Commissioner Woodruff seconded the motion. The motion to approve Resolution No. 5156 passed by a majority vote. Commissioner Palega objected and Vice President Brown abstained from voting.

Resolution No. 5157

(D) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH KITECH SECURITY SYSTEMS, INC. FOR THE ACCESSIBLE ENTRY SYSTEM REPLACEMENT WORK AT CAL 1-18 (1), JFK TOWERS; CAL 1-19 (1), 990 PACIFIC AVE.; CAL 1-23, 1880 PINE STREET; CAL 1-28, 666 ELLIS STREET; CAL 1-29, ARGUELLO BLVD.; CAL 1-21, 25 SANCHEZ STREET; CAL 1-32, 1750 BUSH STREET; CAL 1-35, 2695 CALIFORNIA STREET IN AN AMOUNT NOT TO EXCEED $93,000.00

Barbara Smith, Housing Modernization and Development Administrator stated that this contract was for eight high and mid-rise rise developments with 710 apartments, built between 1966-1973. The 30-40 year old entry systems are obsolete, unreliable and deteriorated beyond repair. In addition, they do not provide audio and video assistance to tenants and visitors with diabilities nor do they comply with ADA requirements. The replacement of these entry systems is urgently needed to ensure safety, security and accessibility for senior and disabled residents. The SFHA issued a solicitation for this work on May 3, 2004. The procurement process followed all HUD regulations, policies and state and local laws. The invitation for bid documents was developed by the SFHA staff in collaboration with the Authority's electrical engineering consultant, FW Associates, Inc. All of the standard advertising tools were employed. On May 18, 2004, four contractors attended the on site bid walk as well as SFHA staff and the consultants. Prior to the bid walk, five contractors received the invitation for bid documents. The

solicitation closed on June 3, 2004 and one bid was received from a responsive and responsible bidder. The bid received from Kitech Security Systems was 10% lower than the outside cost estimate. Ms. Smith stated that the contractor specializes in intercom, remote, and security systems. According to the reference checks, the contractor is responsible with a good record. They have done other work for public entities and a good history of minimizing contractor initiated change orders. In addition, the contractor is not debarred from federal procurement and non-procurement work. The work would include surveying and verifying the existing conditions at all eight buildings, demolition and removal of the existing entry systems, and furnishing and installing all new accessible entry systems and accessories. The current entry systems have repeatedly broken down and maintenance has continually serviced them when the systems fail. Kitech Security Systems is committed to exceeding the 25% resident hiring goal and estimates it would take about 350 hours to complete the project. A minimum of 100 hours would be for a resident employee. They are hoping to hire a resident as an apprentice electrician. The contractor has joined the Associated Builders and Contractors and is willing to pay for the resident's training. Kitech has stated that they hope the resident employee becomes a permanent position. The firm is a 100% MBE and they perform all of the work themselves.

Commissioner Woodruff asked how many resident employees would be working. Ms. Smith answered that there would be one resident hire.

In answer to Commissioner Smith's question Ms. Smith stated that the permanent position is contingent on the contractor's workload continuing.

Vice President Brown asked Ms. Smith to specify the types of security systems to be installed. Ms. Smith answered that it is a telephone system so that a visitor could directly contact the resident for access to the building through their phone line. All residents would be given an electronic entry card that would eliminate the use of keys. The system is more secure for residents and management.

Commissioner Smith expressed concerns about the entry system at Rosa Parks. Mr. Fortner stated that it may be under warranty and staff would investigate the matter. Ms. Smith added that all senior buildings would eventually have renewed entry systems and Rosa Parks would be included in the next contract award.

Commissioner Woodruff asked if the repair would disrupt service to the tenants. Ms. Smith stated that tenants would still be able to use their access cards, but there is a 24-hour transition period to the new system.

Vice President Brown inquired about the price per building. Ms. Smith responded that it varies between buildings based on the number of units, but it averages to about $12,000.00 per building. Based on the results of the pilot system, battery backup was

added to the system just in case of power failures. The SFHA is getting more out of this contract than the previous pilot.

President Lee asked how many years the manufacturer guarantees the equipment. Malcom Vasquez of Kitech Security Systems answered two years and Kitech has a workman's guarantee for two years as well. President Lee asked what brand the equipment was. Mr. Vasquez answered that the brand was Viking model ES3 which is the only equipment ADA compliant. The model is made in the U.S.A. President Lee commented that the equipment to be installed is much better because most systems have a tendency to rust because of the moist weather in San Francisco. Furthermore, entry systems tend to be high maintenance because they have more use. President Lee asked Ms. Smith to investigate long-term maintenance opportunities with future companies. Ms. Smith replied that the SFHA could look into whether it would be more cost effective for staff to maintain the system or have the contractor do it. President Lee added that it would make sense to find out whether the contractors for the boiler systems would also include emergency maintenance in their contracts. Ms. Smith stated that staff would obtain quotes from both companies for ongoing maintenance. Mr. Fortner added that the SFHA has staff that is trained by the installers on maintaining new systems and it is a part of the preventative maintenance schedule.

Vice President Brown reiterated the request for information about the other contractors who refused to bid. Mr. Fortner commented that by HUD standards, this is a small contract because it is under $100,000. Therefore the SFHA is only required to perform an informal bid and contact three perspective bidders.

Commissioner Woodruff moved to approve Resolution No. 5157. Commissioner Smith seconded the motion. The motion to approve Resolution No. 5157 was unanimously passed.

Resolution No. 5158

(E) RESOLUTION TO ACCEPT THE 2004 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING AND ACKNOWLEDGE AWARENESS, RESPONSIBILITIES AND LIMITATIONS FOR ROOFING REPLACEMENT AND 504 ADA IMPROVEMENTS AT THE MILTON MEYERS RECREATION CENTER LOCATED AT 195 KISKA AVENUE AT CAL 1-17(A), HUNTER'S POINT AND THE CONSTRUCTION OF A YOUTH CENTER AT ~~735~~ 838 PACIFIC AVENUE AT CAL 1-18(6) PING YUEN NORTH **[AS AMENDED]**

Juan Monsanto, Planning and Program Manager reported that the CDBG grant is annually provided by the Mayor's Office of Community Development and the Mayor's Office of Housing. It is received on a competitive basis and the SFHA has been successful in procuring the funding for several years. The amount awarded to the SFHA was $665,000

for the Milton Meyers Center built a little after World War II. The SFHA believes the improvements could be completed after matching the funds by 15%. Mr. Monsanto stated that it is very important that the work be completed to help improve the area and increase the youth activities. Ping Yuen North is currently a storage area. By accepting this grant, it would enable the SFHA to connect the space to the computer learning center and transform it to a multipurpose space. The residents and community would benefit from these improvements. The Milton Meyers Community Center is one of the only functioning centers in the area and would provide new amenities to the community. The SFHA would procure a contract for the work at each site individually and it would be subject to all HUD requirements. Twenty-five percent of all work hours procured would be performed by a resident.

Commissioner Woodruff asked if the total amount of the grant was $909,000.00. Mr. Monsanto answered yes.

Vice President Brown asked if 15% of the amount would come from the SFHA. Mr. Monsanto answered that the SFHA is required to match the amount by 15% to make sure the work is completed. The SFHA is going to allocate this amount to pay for predevelopment costs such as architectural engineering fees. Mr. Fortner added that 15% amounts to about $140,000.00. Mr. Monsanto stated that those funds have been identified in the Comp Grant fund of 2003.

Commissioner Palega asked if the SFHA was assuming liability for the Milton Meyers Center. Mr. Fortner answered that the center is under lease to Parks and Recreation until August 30, 2004 and they are assuming liability. Commissioner Palega stated that his concern arose out of the violent activity in the area.

Commissioner Smith moved to approve Resolution No. 5158. Commissioner Gans seconded the motion. The motion to approve Resolution No. 5158 was unanimously approved. President Lee was not present for the vote.

Resolution No. 5159

(F) RESOLUTION AUTHORIZING THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO TO HOLD A (TEFRA) TAX EQUITY AND FISCAL RESPONSIBILITY ACT OF 1982 HEARING IN CONNECTION WITH THE PROPOSED ISSUANCE BY THE AUTHORITY OF MULTIFAMILY REVENUE REFUNDING BONDS FOR THE VALENCIA GARDENS HOPE VI NEW HOUSING DEVELOPMENT

Barbara Smith, Housing Modernization and Development Administrator distributed documents for the Commissions review. Ms. Smith stated that at the second meeting in July, staff would be asking the Commission to take action on the bond issue and the submission of evidentiary documents to HUD for Valencia Gardens. She informed the

Commission that they would not have to act on any of the material just distributed, that night. Ms. Smith informed the Commission that in the pocket of the binder was a summary of the HOPE VI financing for all of the developments as well as the handout material prepared by CSG for the finance training on bonds.

Vice President Brown asked if there was a summary of the improvements at particular sites. Ms. Smith answered that a summary of how many units were previously on the location and currently on the location was on a different sheet that could be provided. Ms. Smith then gave the Commission a quick review of the contents of the binder.

Commissioner Palega asked about the 15-year projection of returning the property to the Housing Authority. Ms. Smith explained that in 15 years the tax credit compliance period would be completed and at that time the SFHA would have the option to purchase the property back. If the SFHA does not exercise that option, the SFHA would ultimately acquire the property at the end of the ground lease. The ground lease expires in 55-65 years depending on the site. In answer to Commissioner Palega's next question, Ms. Smith stated that the ground lease for Valencia Gardens was 65 years. The SFHA has the right of first meaning if there is a change in the partnership, the property has to be offered to the SFHA first and an option to purchase after the 15-year tax compliance period. Commissioner Palega asked how much the SFHA would pay in 15 years. Ms. Smith stated that those figures are forthcoming in the next four weeks. Commissioner Palega asked what would happen if the SFHA does not purchase the property in 15 years. Diane Jackson-McLean of Goldfarb Lipman answered that the borrower would still be obligated to repay the loan. So the SFHA as a lessor under the property, still has its controls as articulated in the ground lease. The project would continue as it is, but the economic incentive for the investor ends after 15 years. Commissioner Palega asked if the SFHA does not pay the loan, would the partnership have the right to evict the residents. Ms. Jackson-McLean answered that there is a 55-year regulatory agreement that restricts the project to low-income housing, and a regulatory agreement from the San Francisco Redevelopment Agency as well as the state. The tenant would be protected under all of these agreements. Commissioner Palega then asked if everything remains status quo, then why is the right of first refusal offered. Peg Stone of CSG Advisors responded that after 15 years, it is typical for the tax credit investor to want out of the deal. CSG Advisors negotiated for the right of first refusal because in 15 years it is unknown whether HUD, public housing subsidies, or Section 8 will exist. The SFHA should have the most choices possible, but whether the SFHA buys the property or not, the income restrictions will stay in place. Through the ground lease and loan agreement the SFHA would maintain control over the property as well. After 15 years, the property will have a little debt that must be paid off with the cash flow from the property but if the SFHA didn't acquire the property, they would still get it back after 65 years. This significantly limits the value of the property because no matter who owns it, they know that they would have to return the property to the SFHA in the next 50 years. Commissioner Palega stated that his concern was that the SFHA continues to meet its obligation to the disadvantaged population in San Francisco by maintaining affordable housing. Ms. Stone

offered to provide a summary of all the agencies involved, the income requirements, and how long they would last. Commissioner Palega stated that the residents of those locations should be provided that information as well.

President Lee asked if there was a window period between the 15 and 65 years to purchase the property if the SFHA did not do so at the 15-year mark. Ms. Stone answered no. It is possible that two entities could come to an agreement, but under this contract, it is not possible. President Lee suggested creating this option if there is another HOPE VI agreement.

Vice President Brown asked if there would be other HOPE VI projects entering the end of the end of the tax credit compliance period that could serve to compare whether the SFHA should purchase the Valencia Gardens property. Ms. Smith stated that after staff has the figures on the amount of debt the SFHA would assume, it would be a good time to have that discussion.

Ms. Smith then explained that the way the bonds are structured, requires two TEFRA hearings. The first was held in February and then all of the financing had to be in place and committed. The SFHA went to CDLAC to ask for an allocation. The SFHA will be doing a preliminary bond issue and then refunding those bonds for the HUD closing. The bonds are refunded in September for the full closing. This resolution only authorizes the SFHA to hold a public hearing fourteen days after publishing it in the newspaper. People are invited to come in and ask questions about Valencia Gardens and are provided a summary of the proposal.

Vice President Brown moved to approve Resolution No. 5159. Commissioner Palega seconded the motion. The motion to approve Resolution No. 5159 was unanimously approved.

Resolution No. 5160

(G) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT A RENTAL TERM SHEET TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) FOR THE VALENCIA GARDENS HOPE VI REVITALIZATION

Ms. Smith stated that a copy of the rental term sheet was included and asked if there were any questions.

Commissioner Palega moved to approve Resolution No. 5160. The motion to approve Resolution No. 5160 was unanimously passed.

Resolution No. 5161

(H) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXPEND AN AMOUNT NOT TO EXCEED $98,000.00 FROM THE 2002 CAPITAL FUND PROGRAM FOR THE IMMEDIATE REVITALIZATION OF A PORTION OF A PORTION OF THE SUNNYDALE GROUNDS WITH A NEW BASKETBALL COURT, CHILDREN'S PLAY AREA, WHEELCHAIR ACCESSIBLITY AND OTHER IMPROVEMENTS AS NECESSARY

Juan Monsanto, Planning and Program Manager explained that these funds would serve to bring in consultants or the Department of Public Works (DPW) to create other small contracts to cooperate in the July 31, 2004 community event.

Commissioner Palega asked if the SFHA was going to perform the work. Mr. Fortner stated that the SFHA would probably enter into a cooperative agreement with DPW to lay the asphalt. Mr. Fortner stated that the SFHA is leveraging the $98,000 into about $700,000 of work over the next 60 days. The SFHA is benefiting from the resources that the city is committing and should at least contribute a portion.

President Lee stated that her concern was that all safety requirements were met on the playgrounds and basketball courts. Mr. Fortner added that the reason it costs $700,000 is because the improvements must meet the ADA and safety requirements. Mr. Monsanto added that the drawings were done by DPW and Recreation and Park in order to make the area safe and ADA compliant.

Commissioner Palega provided a brief history of what used to be on the land. President Lee asked that there be sufficient lighting.

Commissioner Woodruff asked when it would be completed. Mr. Monsanto answered that most of it would be done by July 31, 2004 but there may be additional work done in the following weeks by DPW.

Commissioner Palega moved to approve Resolution No. 5161. Commissioner Smith seconded the motion. The motion to approve Resolution No. 5161 was unanimously approved.

12. PUBLIC COMMENTS ON ITEMS NOT ON AGENDA

There were no public comments on items not on the agenda.

13. COMMISSIONER COMMENTS AND REPORTS

Commissioner Palega reiterated the accolades to Jim Williams and stated that it had been a pleasure to work with him for the last 10-12 years. Commissioner Palega thanked Mr. Williams for his dedication and commended him for a job well done.

President Lee wished Mr. Williams all the best as well. She also thanked Mr. Fortner and staff for arranging the tax credit training. She also thanked Peg Stone for providing the training and said that she did an excellent job. President Lee said that they all learned a little more and hopefully could do a better job.

Commissioner Smith announced that on June 23, 2004, Rosa Parks had their party celebrating various ethnicities. There was a variety of food representing everyone. Commissioner Smith also stated that they do not have anyone in her development to deal with lockouts, especially on the weekend. She requested staff's assistance on the matter.

14. ADJOURNMENT

There being no further business to come before the Commission, Commissioner Woodruff moved to adjourn the meeting. Commissioner Palega seconded the motion. President Lee adjourned the regularly scheduled meeting of June 24, 2004 at 6:15 p.m.

Gregg Fortner, Secretary/Executive Director

Julie Lee, President

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